



Creating extraordinary places on the world's best harbour.

ANNUAL REPORT 2018-2019



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Australian Government
Sydney Harbour Federation Trust

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Cover images

Clockwise from top left:

Walangari Karntawarra and Diramu Aboriginal Dance and Didgeridoo, Smoking Ceremony, *Sunset Sessions: Live Music for National Reconciliation Week*; Macquarie Lightstation; Over-water link, Sub Base Platypus; City view from North Head Sanctuary; Chowder Bay, Headland Park; Convict Precinct, Cockatoo Island.
Current page: Headland Park.



LETTER FROM CHAIR TO MINISTER

18 September 2019

The Hon Sussan Ley MP
Minister for the Environment
Parliament House
Canberra ACT 2600

Dear Minister,

I present this report on the operations of the Sydney Harbour Federation Trust for the financial year ending 30 June 2019. It was approved at the Harbour Trust Board Meeting on 17 September 2019.

The report complies with the provisions of section 70 of the *Sydney Harbour Federation Trust Act 2001* and section 46 of the *Public Governance, Performance and Accountability Act 2013*.

Yours sincerely

Mr Joseph Carrozzi
Chair



The Harbour Trust acknowledges the lands and waters of Sydney Harbour as part of the greater Sydney Basin.

Today, the homelands of the Borogegal, Birrabirragal, Cammeraygal, Gadigal, Gayamagal, Wallumedegal and Wangal People host Harbour Trust sites.

THESE SITES INCLUDE:

HEADLAND PARK

Homeland of the Borogegal People

COCKATOO ISLAND / WAREAMAH

Connecting to the waterways and homelands of the Wallumedegal, Wangal, Cammeraygal and Gadigal Peoples

NORTH HEAD SANCTUARY

Homeland of the Gayamagal People

SUB BASE PLATYPUS

Homeland of the Cammeraygal People

WOOLWICH DOCK AND PARKLANDS

Homeland of the Wallumedegal People

MACQUARIE LIGHTSTATION

Homeland of the Birrabirragal People

MARINE BIOLOGICAL STATION

Homeland of the Birrabirragal People

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*Image opposite:
Diramu Aboriginal
Dance and Didgeridoo,
Smoking Ceremony,
Harbour Trust
RAP Launch,
Headland Park.*

CHAIR'S FOREWORD

Delivering value to the community lies at the heart of the Harbour Trust's mission.

As custodians of a network of precious places on Sydney Harbour, we recognise our work must be underpinned by active and constructive engagement with our community, and that we are accountable to all Australians.

The Harbour Trust has achieved a great deal in creating a network of parklands across Sydney Harbour by restoring bushland and heritage buildings, drawing a vibrant mix of community and commercial uses, making these places open and accessible to all, and creating opportunities for the community to understand their layered stories.

To achieve our goals, the Harbour Trust reinvests the funds we receive from the adaptive reuse of our sites into our work, consistent with our legislation, plans and community expectations. The Board believes this is a sound model to sustain the Harbour Trust operations; however, analysis has shown this approach presents challenges to us over the longer term.

That is why the Board is pleased that the Government has announced a review of the Harbour Trust. This review provides us with an opportunity to take stock of our achievements and ensure arrangements for our places are fit for the future. The review will be underway shortly, and I strongly encourage our community to make a contribution to this important debate.

At the same time, the Government this year provided important additional support to our work. I am delighted by the Australian Government's decision to provide \$21.4 million for new works at Headland Park in Mosman and Sub Base Platypus in North Sydney. This funding will enable us to restore bushland, create new green spaces, rejuvenate buildings,

and — in doing so — reveal the rich heritage of these places.

This year saw significant progress in the adaptive restoration of the Fleet Workshop and Submarine School at Sub Base Platypus as well as the creation of new public spaces. The opening of the next stage of Sub Base Platypus in late 2019 will be another milestone.

We have started new work to revitalise our approach on Cockatoo Island. In 2018–2019, we commenced our Cockatoo Island dialogue with the community; this consultation has brought forward many insights about what is most valued about the Island, and will help shape our plans for the future.

We have also been working to make the Bondi to Manly walk a reality. The 8okm walk circles our magnificent harbour and is made possible by the collaborative efforts of several Councils, State Government authorities, the Harbour Trust and strong community advocates, including volunteers.



Robyn Flick, Visitor Services Volunteer receiving her 10 year service award with Joseph Carrozzi, Chair, Cockatoo Island.



I am privileged to work with a dedicated and passionate group of Trustees, who bring a breadth of skills and knowledge to their work.

In 2018–2019, we welcomed Jessica Keen and Tim James to the Board. Jess brings broad experience in the visitor economy and is the Trustee that represents the interests of an affected council. Tim has deep connections with the local community and extensive skills in business and strategy.

Sally Herman completed her tenure this year. Sally made a significant contribution to the Harbour Trust and I thank her for her term as Trustee.

My thanks to all my fellow Trustees and in particular, Deputy Chair Jean Hay for her role in chairing the Harbour Trust's Tenant Selection Committee.

I would also like to welcome our new Minister — the Hon Sussan Ley MP, Minister for the Environment — and acknowledge the support and guidance of the other Ministers responsible

for the Harbour Trust during the reporting year; namely, the Hon Josh Frydenberg MP, formerly Minister for the Environment and Energy and the Hon Melissa Price MP, formerly Minister for the Environment. In addition, I wish to thank our leaders within the Department of the Environment and Energy, Matt Cahill, Deputy Secretary, and Finn Pratt, Secretary, for their continued support of the Harbour Trust.

The Harbour Trust is a community. I'd like to thank the dedicated Harbour Trust management and staff who continue to work with great professionalism and optimism, as well as the wonderful Harbour Trust volunteers, tenants and community members who continue to support and advocate for the Harbour Trust.

Joseph Carrozzi
Chair

North Head Sanctuary.



EXECUTIVE DIRECTOR'S SUMMARY

Georges Head
Lookout,
Headland Park.

I am pleased to present the Harbour Trust's 2018–2019 Annual Report. It has again been a positive and productive year for the Harbour Trust.

The Harbour Trust was created to realise the community's vision of wonderful harbour places that are open and accessible to all Australians, with their environmental and heritage values protected and rich stories revealed.

We have continued our work in reimagining and restoring sites on Sydney Harbour. In 2018–2019, works were undertaken at Sub Base Platypus. This included progress towards the creation of new landscaping and public squares, the restoration of the Fleet Workshops and Submarine School, and the installation of a cliff-top walkway providing access to the historic coal stores. We are proud to be reintroducing this important working site on Sydney Harbour to the public and to be creating new spaces for visitors to enjoy.

The Harbour Trust's Aboriginal and Torres Strait Islander Advisory Group helped guide us through the first full year of implementation of our Reconciliation Action Plan. I am most grateful for their advice and counsel. Initiatives included the installation of Acknowledgement of Country plaques at principal entry points on our sites, the establishment of protocols for working with First Nations businesses, and holding *Sunset Sessions: Live Music for National Reconciliation Week* at Cockatoo Island.

The Harbour Trust has been highly successful in making the largest Harbour Island, Cockatoo Island, accessible to all, restoring its World Heritage listed buildings and creating a renowned campground. However, our city is growing and changing, and so it is timely to discuss what is most valued about the Island and explore fresh ideas for its ongoing revival. The Harbour Trust is excited about the conversations we are having with First Nations Peoples and the broader community. We are looking forward to continuing this dialogue as we plan future steps.

In 2018–2019, we launched two mobile-friendly websites, which showcase our wonderful places to wider audiences including international visitors. New wayfinding signs were installed at Headland Park, Mosman and we participated for the first time in *Sydney Open*. Cockatoo Island was also home to the *Jaguar Land Rover Driving Challenge* for the 2018 *Invictus Games*, and the new international sailing event, *SailGP*. In January, the Harbour Trust partnered with Mosman Art Gallery on a sound exhibition at Headland Park's Camouflage Fuel Tanks to coincide with 2019 *Sydney Festival*. Nearly 1.9 million visits were made across our sites.

During the reporting period, bushland regeneration and heritage building remediation, conservation and management continued across our sites.

The Harbour Trust strived to be operationally sustainable and continued to ensure our business is robust.

Our places are home to a wide variety of successful businesses and not for profit organisations, including cafés, medical, financial and fitness services, the Sydney Institute of Marine Science and Solider On.

The adaptive reuse of our heritage buildings adds vibrancy to our sites and has continued to sustain the operations of the Harbour Trust.

In carrying out works, we remain committed to maintaining a respectful dialogue with our local and broader community. Relevantly, I am very grateful for our Community Advisory Committees, who help guide and advise the Harbour Trust on a wide range of matters. I am also grateful for the feedback and comments we receive from the broader community concerning our plans and ideas. I am grateful also to our magnificent volunteers for their work and enriching us with their skills and knowledge.

I am proud to work with a group of passionate and skilled colleagues who are committed to the vision of the Harbour Trust. I would like to thank them all for their contribution. My thanks to the hard-working executive team for their support, counsel, creativity and dedication. Finally, I would like to thank Chair Joseph Carrozzini and his fellow Trustees for their leadership and guidance over the last year.

Mary Darwell
Executive Director

HARBOUR TRUST OVERVIEW

Vision:

To create and share extraordinary places on Sydney Harbour and amplify their stories.

Mission:

To bring to life our natural and cultural heritage and provide a lasting legacy for all Australians through conservation, remediation and the adaptive reuse of places in our care.

Values:

Open, accountable, collaborative, entrepreneurial, creative, act with integrity.

Objectives

- To ensure management of Trust land contributes to enhancing the amenity of the Sydney Harbour region;
- To protect, conserve and interpret the environmental and heritage values of Trust land;
- To maximise public access to Trust land;
- To establish and manage suitable Trust land as a park on behalf of the Commonwealth as the national government;
- To co-operate with other Commonwealth bodies that have a connection with any Harbour land in managing that land;
- To co-operate with New South Wales, affected councils and the community in furthering the above objectives.

Functions

- To hold Trust land for and on behalf of the Commonwealth;
- To undertake community consultation on the management and conservation of Trust land;
- To do the things referred to in section 38A of the *Sydney Harbour Federation Trust Act 2001* (SHFT Act) before plans take effect for an area of Trust land;
- To develop draft plans in respect of Trust land and any other Harbour land in furthering the objects, and performing other functions, of the Trust;
- To rehabilitate, remediate, develop, enhance and manage Trust land, by itself and in co-operation with other institutions or persons, in accordance with the plans;
- To make recommendations to the Minister on plans and the proposed transfer of any Trust land;
- To promote appreciation of Trust land, in particular its environmental and heritage values;
- To provide services and funding to other Commonwealth bodies in furthering the objects, and performing other functions, of the Trust;
- Anything incidental to or conducive to the performance of its other functions.

Legislation and Minister

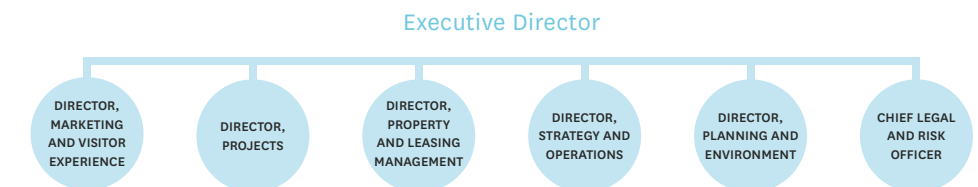
The Harbour Trust was established under section 5 of the SHFT Act, which commenced on 20 September 2001.

The Minister for the Environment (formerly the Minister for the Environment and Energy) is responsible for the Harbour Trust. During the reporting period, this role was held by the Hon Josh Frydenberg MP (July 2016 to August 2018), the Hon Melissa Price MP (August 2018 to May 2019) and the Hon Sussan Ley MP (May 2019 onwards).

Organisational structure

The affairs of the Harbour Trust are managed by an executive team under the leadership of Ms Mary Darwell as the Executive Director. In 2018–2019, the organisation continued to operate from its head offices at Georges Heights at Headland Park in Mosman, Sydney.

The Harbour Trust is also the sole member of Sydney Harbour Foundation Management Ltd (previously known as the Sydney Harbour Conservancy Ltd) (ACN 141 006 975). See Appendix 4.



Mary Darwell, Harbour Trust Executive Director; the Hon Sussan Ley MP Minister for the Environment; Joseph Carrozzi, Chair, Headland Park.



BOARD



Harbour Trust Tunnels and Gunners Tour, Headland Park.

The Harbour Trust is governed by a Board of Trustees appointed by the Minister. The Board meets regularly to guide the process of planning and implementing projects for Harbour Trust land. Membership of the Board consists of the Chair and seven other members. In accordance with the SHFT Act, two members of the Board are recommended by the NSW Government, one member represents the interest of Indigenous people, and one member is an elected member from an affected council. As at June 2019, there was one vacancy on the Board (for a member to be recommended by the NSW Government).

Board members



Joseph Carrozzi (Chair)

Recommended by the NSW Government.

Joseph is a lawyer and financial advisor with more than 25 years' senior leadership experience in the professional services sector. He is Managing Partner of PwC, Sydney and has advised numerous private sector businesses and governments on infrastructure, tax and policy matters.

A Board Member with the Harbour Trust since 2016, Joseph also plays an active role in the wider community. He is the Chair of the Centenary Institute for Medical Research in Sydney, the Deputy Chair of the NSW Institute of Sport. Joseph also serves on the Boards of Football Federation Australia and Western Sydney University.

Appointed April 2016; and appointed as Chair July 2018.



Jean Hay AM (Deputy Chair)

A lifelong resident of Manly, Jean has spent her career serving the local community, including as an elected Councillor and later as Mayor.

Following three terms as Mayor of Manly (1999–2004, 2008–2012 and 2012–2016), Jean was appointed Chair of the Implementation Advisory Group for the Northern Beaches Council, and served in that role until August 2017.

Jean is a recipient of the Centenary Medal and the NSW Ministers' Awards for Women in Local Government (Metropolitan Elected Representative). For her service to the community, including through local government and community groups, Jean was named a Member of the Order of Australia.

Appointed June 2013; and appointed as Deputy Chair July 2015 and April 2017.



Garth Callender

Garth is a seasoned leader whose expertise covers complex organisational structures and processes. Most notably, he carved out a distinguished 17 year career with the Australian Defence Force which included commanding soldiers in Iraq and Afghanistan.

Recently, Garth led the NSW Government Veterans Employment Program. Under his leadership, the Program employed over 500 veterans, exceeding their target by 150 per cent. This earned Garth's team the 'Leadership in Recruitment of Veterans' accolade at the 2018 Prime Minister's Veterans' Employment Awards.

Garth holds a Masters of Business Administration and is a published author. Released in 2015, *After the Blast* chronicles his military deployments, including his recovery from wounds inflicted by an insurgent bomb attack in Baghdad in 2004.

Garth is the Managing Director of Trebuchet Pivot, a consultancy firm specialising in preparing corporate leadership teams to make considered and deliberate decisions in adverse conditions. He remains an active member of the Australian Army Reserve and is a leader within the veteran community.

Appointed April 2017.



Josephine Cashman

Representing the interests of Indigenous peoples.

Josephine is a Warrimay entrepreneur from NSW. She is the founder, Executive Director and Managing Director of Big River Consulting Pty Ltd, Big River Impact Investments Pty Ltd and the Big River Impact Foundation Ltd. Josephine is a lawyer, businesswoman, orator and media commentator with more than two decades of experience working on rapid business and socioeconomic growth for Australia's Indigenous communities.

Josephine was an inaugural member of the Prime Minister's Indigenous Advisory Council and served as the Chair of its Safe Communities Committee until 2017. She sits on the Board of Reconciliation Working Group of Google Australia and *Biennale of Sydney*. In recognition of her notable expertise, Josephine was recently selected as a Friend of the Commonwealth Treasury. Josephine worked for a decade as a lawyer in Australian courts, and has undertaken consultancy and voluntary roles for a variety of private, public and non-profit organisations. Additionally, Josephine was an invited speaker at a special session of the United Nations Human Rights Council addressing violence against Indigenous women and girls.

Appointed June 2015; and reappointed July 2018.

OVERVIEW



Sally Herman

Sally is an experienced Non-Executive Director for listed and unlisted companies across the financial services, retail, manufacturing and property sectors. Currently, she is a Non-Executive Director on several ASX listed boards, including Suncorp Group Ltd, Premier Investments Ltd and Breville Group Ltd. She is also on the Boards of Evans Dixon Ltd and Investec Property Ltd, and a member of Chief Executive Women.

Prior to becoming a Non-Executive Director, Sally had a long executive career in financial services, both in Australia and the US. This included 16 years with Westpac Group, during which time she ran major business units in numerous operating divisions, notably, the Institutional Bank, Wealth Management (BT Financial) and the Group's Retail and Business Banking division.

Sally is an active member of the community, with a particular interest in education, the arts and social disadvantage.

Term concluded April 2019.



Sandra Hook

Sandra has a track record in driving customer-centric business transformation and transitioning traditional organisations in rapidly evolving environments. She has extensive operational, digital, financial management and strategic experience built over 25 years as a CEO and in senior executive roles for some of Australia's largest media companies. These include News Limited, Foxtel, Federal Publishing Company, Murdoch Magazines and Fairfax.

Since 2000, Sandra has also served as a Non-Executive Director on listed, public and private companies and government bodies. Sandra is currently non-executive director of technology companies RXP Services Ltd, MedAdvisor Ltd, AUDA Domain Australia Ltd, IVE Group Ltd and the Sydney Fish Market. She is a Director of the Sydney Harbour Foundation Management Ltd.

Appointed December 2011; and reappointed December 2012, June 2013, April 2016 and April 2019.



Tim James

Tim is a strategic advisory leader who has held leadership roles in industry, government and professional services. A lawyer with qualifications in business, law and finance (including an MBA), he leads a boutique strategy advisory firm consulting clients and serves on a range of boards. Previously, Tim was the CEO of the national pharmaceutical industry body Medicines Australia and held leadership roles at Pfizer and Johnson & Johnson.

Tim's experience in government encompasses more than three years as a Minister's Chief of Staff in NSW and six years in the Howard Government, including in the Prime Minister's Office. In a community context, Tim is a Director of Mosman Rowers, Life Education NSW Ltd and Life Education Australia. He has served as the President of the Headland Preservation Group. He also helped found the Friends of Sydney Harbour in 2013.

Appointed April 2019.



Jessica Keen

Representing interests of an affected council.

A 20-year veteran of the tourism industry, Jessica holds a Bachelor of Arts in Tourism Management from the University of Technology, Sydney as well as a Diploma in Social Studies from Oxford University.

Jessica's career includes roles in private and public sector tourism organisations, both here and abroad, including Tourism Australia. During her time at the Australian Tourist Commission/Tourism Australia, Jessica worked as Business Tourism Marketing Assistant, Dreamtime Coordinator, Marketing Development Executive (Western Hemisphere) and Project Manager Segment Development — Food and Wine.

Most recently, Jessica has been working as National Industry Development and Capability Manager with the Australian Tourism Export Council. Jessica was elected to North Sydney Council in 2017.

Appointed July 2018.

Gardening Volunteers, Cockatoo Island.



Images on pages 16 and 17 (clockwise from left): Sub Base Platypus; Marine Biological Station, Watson's Bay; Chowder Bay, Headland Park; Macquarie Lighthouse, Vaucluse; North Fort Tour, North Head Sanctuary, Manly.



NUMBER OF VISITS
1,870,000

NUMBER OF TENANCIES
165

90%
OF LAND OPEN TO THE PUBLIC



HARBOUR TRUST: ANNUAL SNAPSHOT

Statistics taken from July 2018 – June 2019

74%
ADAPTIVE REUSE
OF BUILT ASSETS*
*Of built assets with potential for adaptive reuse.

7 PUBLIC SPORTS
FACILITIES

29,500
VOLUNTEER HOURS

487,000
VISITORS TO
OUR WEBSITES

\$18M
EARNED ANNUAL REVENUE



145 ha
ICONIC LAND ON
SYDNEY HARBOUR

10
SITES IN TOTAL



Sites
 The Harbour Trust protects and manages a network of nine sites on Sydney Harbour.



Harbour Trust Sites

Yet to be formally transferred from the Department of Finance

OVERVIEW

North Head Sanctuary, Manly

Sitting high above Manly on the northern entrance to Sydney Harbour, North Head Sanctuary is a site of enduring significance to its Traditional Owners: the Gayamagal People.

The Third Quarantine Cemetery at North Head Sanctuary was established in 1881 for victims of a smallpox epidemic. In 2006, the cemetery was included in the National Heritage List as an important example of the nation's evolving quarantine practices.

The site also features one of Sydney's most heavily fortified military sites: North Fort. With

its large network of gun emplacements and underground tunnels, the former army base played a major role in the defence of Sydney during World War II.

The buildings at North Head Sanctuary, including 28 houses originally used to accommodate officers at the former School of Artillery, are leased to a range of tenants, including businesses, artists, community groups and residents.

North Head Sanctuary is home to many of Australia's endangered flora and fauna. The preservation of this delicate ecosystem remains a key focus for the Harbour Trust.

Headland Park, Mosman

Headland Park in Mosman comprises three precincts: Georges Heights, Middle Head and Chowder Bay.

As the traditional land of the Borogegal People, Headland Park is rich in First Nations history.

Headland Park also contains military relics dating back to the 1870s, including a network

of gun emplacements and underground tunnels, crucial to the defence of Sydney during World War II.

In addition to coastal bushland walks with breathtaking harbour views, Headland Park features numerous heritage buildings, which have been adapted for new uses by local businesses, artists and other tenants.

Sub Base Platypus, North Sydney

Sub Base Platypus is located in North Sydney, which is Cammeraygal Country.

Formerly HMAS Platypus, an Australian Navy submarine base, the site has also hosted a gasworks, as well as workshops for manufacturing and maintaining torpedoes established in WWII and used until the 1990's.

Over the past decade, the Harbour Trust has consulted extensively with the local community to breathe new life into the site.

In May 2018, Sub Base Platypus became accessible to the public for the first time in 150 years with the completion of an over-water walkway, BBQ area and pocket playground.

Additional major works to revitalise and enhance the site will be completed by late 2019. These include a public square and courtyard. Buildings will also be leased and adaptively reused, further activating the site.

Images opposite (clockwise from left): North Head Sanctuary; David Ball, Orb, Sculpture by the Sea collection, Headland Park; over-water link, Sub Base Platypus; Northern Playground, Sub Base Platypus; Tunnels and Gunners Tour, Headland Park; city view, North Head Sanctuary.

NORTH HEAD SANCTUARY MANLY

Features a heritage-listed quarantine cemetery, established in 1881.



HEADLAND PARK MOSMAN

As the traditional land of the Borogegal people, Headland Park is rich in First Nations history.



SUB BASE PLATYPUS NORTH SYDNEY

In May 2018, the site was opened to the public for the first time in

150 YEARS.



COCKATOO ISLAND SYDNEY HARBOUR

Inscribed on the UNESCO World Heritage List, together with ten other significant Australian convict sites.



Various images, Cockatoo Island.

OVERVIEW

Cockatoo Island, Sydney Harbour

Cockatoo Island connects to the waterways and homelands of the Wallumedegal, Wangal, Cammeraygal and Gadigal Peoples.

In 2010, parts of the former penal establishment, reformatory school and naval ship dockyard were inscribed on the UNESCO World Heritage List, together with ten other significant Australian convict sites.

Known as Wareamah, meaning ‘women’s land’ in the Dharug language, Cockatoo Island has emerged as an iconic contemporary arts and live performance venue.

In addition to heritage accommodation, Cockatoo Island offers the world’s first urban waterfront campground, with unbeatable views of Sydney Harbour as well as picnic spots, BBQ facilities and cafés.



Macquarie Lighthouse.

Macquarie Lightstation, Vaucluse

Located in Birrabirragal Country, Macquarie Lightstation in Vaucluse is Australia’s oldest lighthouse. Designed by convict architect Francis Greenway, the original lighthouse was completed in 1818 and named for Lachlan Macquarie, the then Governor of NSW. Crumbling foundations led to the construction of a replacement lighthouse, in 1883, designed by James Barnet. The Harbour Trust held celebrations for the 200th anniversary of the original lighthouse in November and December 2018.

Marine Biological Station, Watson’s Bay

Located in Birrabirragal Country, the former Marine Biological Station at Camp Cove, Watson’s Bay, is notable for being the first laboratory of its kind in the Southern Hemisphere. Like Sydney Hotel and Katoomba’s Carrington Hotel, it was designed by architect John Kirkpatrick.

Built in 1881 for renowned Russian Scientist, Nikolai Nikoleavich de Miklouho-Maclay, the sandstone facility was subsequently acquired by the Australian Army to house officers.

Today, it is managed by the Harbour Trust and leased as a private residence.



Above: Former Marine Biological Station.
Below: Woolwich Dock and Parklands.

Woolwich Dock and Parklands, Woolwich

Built in 1901 and used for ship repairs during both World Wars, Woolwich Dock is a sandstone dry dock on the Hunters Hill peninsula — the homeland of the Wallumedegal People. In addition to being a working dock, the site also hosts a restaurant and function centre.

Bordered by public parkland with views of Sydney Harbour, Woolwich Dock is located at the junction of the Parramatta and Lane Cove Rivers. For this reason, the Traditional Owners refer to the area as Moocooboola, meaning ‘the meeting of the rivers’.

Snapper Island, Sydney Harbour

Snapper Island is the smallest island in Sydney Harbour. Deliberately flattened and shaped to resemble the layout of a naval ship, it was used as a nautical training facility during the 1930s.

The island is yet to be formally transferred by the Department of Finance to the Harbour Trust and, at this time, remains closed to the public.



RECONCILIATION

Sydney Harbour is arguably the location of first continuous contact between Aboriginal and non-Indigenous Australians. Harbour Trust lands reveal the heritage of the Traditional Custodians and Owners; namely, the Borogegal, Birrabirrigal, Cammeraygal, Gadigal, Gayamagal and Wallumedegal. This includes their lived experiences and connection to the nation's maritime and defence industries across the last two centuries.

The Harbour Trust has a significant responsibility and opportunity to assist in the national process of Reconciliation.

This involves helping all Australians to recognise and celebrate the cultures and histories of Aboriginal and Torres Strait Islander Peoples, including their continuing connections to our sites.

In June 2018, the Harbour Trust launched a two-year *Innovate Reconciliation Action Plan (RAP)*, endorsed by Reconciliation Australia. Implementation has been overseen, monitored and championed by our internal RAP Working Group in close collaboration with a newly-formed Aboriginal and Torres Strait Islander Advisory Group that includes Djon Mundine, Roy Mundine OAM, Peter White, Josephine Cashman, Susan Moylan-Coombs and Prof Dennis Foley (pictured on page 25, top left).



RAP Implementation Highlights

- Internal RAP Working Group met eight times across the reporting period
- Internal Advocacy strategy developed and being implemented
- Two full-time First Nations staff employed during the reporting period
- Protocol Document, *Partnering with Aboriginal and Torres Strait Islander Organisations*, established and endorsed
- Continual development of partnerships to support First Nations Peoples
- Staff participated in Cultural Awareness and Unconscious Bias Training and a screening of two Reconciliation Australia Documentaries
- Cultural Protocol Document for Welcome to Country and Acknowledgement of Country created and distributed to staff
- Staff provided with an information card for their security lanyard outlining the Harbour Trust's Acknowledgment of Country
- Acknowledgement of Country plaques installed at key entrance points of all primary sites
- First Nations consultation process for Cockatoo Island commenced in June 2019



Right: Performance by Thaylia and Evie J Willie, Cockatoo Island.

Reconciliation events

The *Serving Country* Exhibition was held at the Landship Gallery at Georges Heights from 29 June through to 29 July 2018, attracting 564 visitors. The exhibition, which acknowledged the valuable contribution of First Nations service people was launched to coincide with the Harbour Trust's Reconciliation Action Plan launch event and ran during NAIDOC Week 2018.

In recognition of National Reconciliation Week 2019, the Harbour Trust hosted *Sunset Sessions: Live Music for Reconciliation Week* at Cockatoo Island on 1 June 2019. The sold-out event opened with a cleansing ceremony and performance by Walangari Karntawarra and Diramu Aboriginal Dance and Didgeridoo, and featured performances by First Nations musicians Thaylia and Evie J Willie.

These events were an opportunity for the Harbour Trust to build and maintain relationships with First Nations Peoples and organisations, recognise two important milestones in the Australian calendar (NAIDOC Week 2018 and National Reconciliation Week 2019), raise internal and external awareness of our RAP, and promote Reconciliation.

Above, left: Harbour Trust Aboriginal and Torres Strait Islander Advisory Group (from left to right) — Josephine Cashman, Peter White, Roy Mundine OAM, Djon Mundine and Susan Moylan-Coombs, Headland Park (Prof Dennis Foley absent).

Image opposite: Walangari Karntawarra and Diramu Aboriginal Dance and Didgeridoo, Smoking Ceremony, Sunset Sessions: Live Music for National Reconciliation Week, Cockatoo Island.

STEWARD OUR PARKLANDS



The Harbour Trust is responsible for protecting, conserving and interpreting the environmental and heritage values of the land in its care.

The Harbour Trust's approach to the management of its sites is guided by the principles of ecologically sustainable development (ESD). In line with this, the Harbour Trust makes plans in consultation with the community, and implements these plans through a program of works.

Program of works

During the reporting period, the Harbour Trust continued its program of works, with a focus on the conservation, rehabilitation and maintenance of all sites as well as ensuring safe public access.

An overview of works undertaken across the Harbour Trust's sites over 2018–2019 is provided below:

Sub Base Platypus

The Harbour Trust was focused on the future implementation of the \$23.8 million Sub Base Platypus Renewal Project with the aim of creating new public spaces, improving public access and refurbishing buildings for new uses. The capital works carried out at Sub Base Platypus during 2018–2019 included:

- Landscaping to create new public spaces on the waterfront and at the High Street entrance to the site
- Installation of a new lift and cantilevered cliff-top walk
- Additional planting
- Base works to the Submarine School and Fleet Workshops to facilitate final tenant fitouts
- Refurbishment of the Gatehouse as two dwellings
- Upgrades to site services

Headland Park

Works undertaken at Headland Park included:

- Installation of new tenant directories and upgraded wayfinding signage
- Refurbishment of the residential property at 1104 Middle Head Road
- Continuing works to consolidate office space at the Harbour Trust's head office
- Upgrades to the communications and optical fibre network at Georges Heights and Chowder Bay
- Ongoing repairs to tenanted buildings, including paintwork, carpentry and plumbing

Cockatoo Island

Works undertaken on Cockatoo Island included:

- Make-safe works to six historic cranes
- Geotechnical investigations and remedial works to the cliff face
- Upgrades to the communications and optical fibre network
- Construction of a stand for the convict-era drip stone by the Harbour Trust restoration volunteers



Image opposite: North Head Sanctuary (photograph by Mark Merton).

Left: New wayfinding signage, Headland Park.

Left:
Plotting Room,
North Head
Sanctuary.



Right:
Goat Paddock,
Woolwich Dock
and Parklands.



STEWARD OUR PARKLANDS

North Head Sanctuary

The Harbour Trust undertook works to restore numerous buildings at North Head Sanctuary. Although structurally sound, these buildings are vulnerable to deterioration due to the harsh coastal environment. These works included:

- Construction by the Harbour Trust restoration volunteers of a new roof above the entry stairs to Gun Emplacement No 2
- Construction of new rabbit-proof fence throughout recently-burnt areas of bushland
- Refurbishment of part of Building 1 to accommodate a small Harbour Trust office
- Upgrades to the fire booster pumps throughout North Head Sanctuary
- Refurbishment of the residential property at 10 Artillery Drive

Woolwich Dock and Parklands

Works undertaken at Woolwich Dock and Parklands included:

- Reconstruction of the sandstone entry wall at Goat Paddock
- Repairs to the seawalls adjacent to the Woolwich Barge Ramp

Macquarie Lightstation

At Macquarie Lightstation, a safety fence was constructed around the historically significant Greenway Wall.

Former Marine Biological Station

No works were undertaken.

Snapper Island

No works were undertaken by the Harbour Trust.

Image opposite: Sub Base Platypus, image courtesy of ASPECT Studios, photograph by Simon Wood.





Georges Heights, Headland Park.

STEWARD OUR PARKLANDS

Bushland and landscape management

During 2018–2019, the Harbour Trust managed a diverse area of parkland spread across its sites, that includes natural bushland, formal lawns, cultural plantings and a network of paths.

Bushland management

Bushland ecological restoration work was ongoing at Headland Park, North Head Sanctuary and within pockets of remnant bushland and revegetated areas at Woolwich Dock and Parklands, Macquarie Lightstation and Cockatoo Island. These works included weed control, maintenance of more than 10 kilometres of bush tracks and access trails, and revegetation using local provenance seedlings.

In 2018–2019, the Harbour Trust continued the regeneration and monitoring of *Acacia terminalis* subsp. *terminalis*, an endangered species found at North Head and Headland Park. These activities were funded through a multi-year grant from the NSW Office of Environment and Heritage. Additional funding will enable these activities to carry through to 2019–2020.

Working in partnership with the Harbour Trust, the North Head Sanctuary Foundation (NHSF)

maintained a nursery at North Head Sanctuary, stocked with local provenance species. The NHSF propagated and planted more than 2,260 native plants at North Head Sanctuary as well as assisting with environmental education activities throughout the reporting year.

Bushfire mitigation

There were no hazard reduction burns on Harbour Trust land in 2018–2019. However, manual and mechanical fuel reduction continued at North Head Sanctuary and Headland Park to reduce the risk of unplanned bushfires impacting on life, property and the Harbour Trust's natural and cultural heritage assets.

The Harbour Trust constructed 1500 metres of fencing in recently-burnt bushland at North Head Sanctuary to create four 'exclosures' where rabbits and other small mammals are excluded from some areas of regenerating Eastern Suburbs Banksia Scrub (ESBS). The impact of predation by rabbits on ESBS will be monitored to assist in future regeneration activities at North Head Sanctuary.

To further manage bushfire risks at these sites, we worked closely with neighbouring land managers and through membership of both the Northern Beaches Bush Fire Management Committee and the Willoughby, Mosman and North Sydney Bush Fire Management Committees.

Wildlife conservation

The Harbour Trust worked with neighbouring landholders at North Head Sanctuary and Headland Park including NSW National Parks & Wildlife Service, to manage endangered native species, populations and communities, feral animals (primarily foxes and rabbits), and weeds.

The Australian Wildlife Conservancy (AWC) and North Head Sanctuary Foundation (NHSF) supported the restoration of bushland at North Head Sanctuary. The AWC monitored fauna populations including native species that were recently reintroduced to North Head Sanctuary including the Eastern Pygmy Possum, Bush Rat and Brown Antechinus.

Landscape management

In 2018–2019, the Harbour Trust continued its program of landscape improvements and maintenance works. Regular site maintenance activities included mowing, weeding and edging of formal lawns.

Of the 5,770 trees, shrubs, grasses and groundcovers planted across our sites, approximately 5,000 were local native species, while 280 were ornamental natives and exotics.

Our volunteer gardeners assisted with pruning, weed control, mulching, watering and planting at the former Australian School of Pacific Administration in Middle Head and around Cockatoo Island's accommodation buildings.

Plans and environmental assessments

The Harbour Trust has an overarching Comprehensive Plan, and a suite of more detailed Management Plans, which provide further information about the desired outcomes for each of its sites. These site-specific plans are reviewed on an ongoing basis to ensure they address current site conditions and legislative requirements.

In 2018–2019, the Harbour Trust exhibited a draft Management Plan for Macquarie Lightstation. The draft Plan provided up-to-date information about restoration works at the site. No major changes are proposed to the site's management. The draft Plan is being considered by the Minister for the Environment under s.341S of the EPBC Act.

Background studies

In 2018–2019, the Harbour Trust engaged specialist noise, traffic and lighting impact consultants to inform the preparation of a draft amendment to the Management Plan for the Mosman Drill Hall Precinct.

Specialist ecologists were engaged by the Harbour Trust to provide advice about the management of silver gulls (seagulls) at Cockatoo Island, Sub Base Platypus and Snapper Island.



Echidna, North Head Sanctuary.

STEWARD OUR PARKLANDS

Environmental Assessments

Proposed actions are assessed to ensure compliance with approved Plans, to identify potential environmental impacts and to document steps to avoid or mitigate those impacts. In 2018–2019, the Harbour Trust completed environmental assessments for 12 proposed actions.

Community consultation

In 2018–2019, the Harbour Trust consulted with key stakeholders, including local communities, on the planning and rehabilitation of our sites. Consultation included formal Community Advisory Committee (CAC) meetings, meetings with the Aboriginal and Torres Strait Islander Advisory Group, workshops, drop-in sessions, presentations, discussions, newsletters and public exhibition of proposals and draft plans. See page 117 for further information on our CAC.

In 2018–2019, the Harbour Trust invited the CAC and the community to provide feedback on the following planning matters:

- A draft Management Plan for Macquarie Lightstation, exhibited from 30 January to 28 February 2019
- A draft design concept for the Torpedo Factory at Sub Base Platypus, exhibited from 12 February to 12 April 2019

- A draft Recreation Strategy for the Harbour Trust's lands, exhibited from 29 March to 10 May 2019
- In May 2019, the Harbour Trust commenced a broad and comprehensive dialogue with the community to discuss what is most valued about Cockatoo Island and to help inform the Harbour Trust's actions and priorities for its ongoing revival. The consultation concluded outside the reporting period.

Notification activities included directly notifying stakeholders by email and/or letter as well as placing notices in newspapers, on harbourtrust.gov.au and in the Harbour Trust's e-newsletter. Information about the Torpedo Factory concept was provided at two drop-in information sessions held on site, and communicated in a newsletter delivered to more than 6,000 local residences and businesses.

Environmental performance

The Harbour Trust is required to report on our environmental performance annually in accordance with Section 516A of the *Environment Protection and Biodiversity Conservation Act 1999* (EPBC Act).

These requirements include our contributions to ecologically sustainable development, the impacts of our activities on the natural environment and measures to reduce our environmental impacts.

Ecologically sustainable development

Ecologically Sustainable Development (ESD) is a central objective of the Harbour Trust's Comprehensive Plan and site-specific Management Plans.

In 2018–2019, ESD remained fundamental to the Harbour Trust's approach to decision-making, planning and rehabilitation, and the use of its sites. The SHFT Act includes the object of protecting environmental values and requires the Comprehensive Plan to accord with the principles of ESD.

ESD principles continue to inform the organisation's approach to biodiversity and bushland conservation, management of native and introduced flora and fauna, water quality and catchment protection. Equally, ESD informs the Harbour Trust's approach to adaptive reuse of existing buildings, bushfire management, remediation of hazardous and contaminated material, transport management and air quality, renewable energy, rainwater harvesting, and Aboriginal and cultural heritage protection.

The Harbour Trust ensures that it selects uses and tenants that respect the environmental values of the buildings and/or lands. Proposed actions are assessed in accordance with the EPBC Act to identify any potential environmental impacts and to put in place measures to avoid or minimise these. Risk assessments are incorporated into project planning to ensure any risks to the environment are identified and mitigated.

Head office — Environmental Performance

In measuring the environmental performance of its head office operations in Mosman, the Harbour Trust uses the sustainability reporting guidelines formulated by the Global Reporting Initiative (GRI). The GRI is an international independent organisation that helps businesses and governments worldwide to measure, communicate and set goals for their environmental performance.

Measures include our consumption of energy, fuel and water, as well as our generation of waste and our resulting carbon footprint.

HARBOUR TRUST HEAD OFFICE — ENVIRONMENTAL PERFORMANCE			
GRI Indicators	Targets for 2018–2019	Results Achieved for 2018–2019	Targets for 2019–2020
Energy consumption within the organisation (GRI 302)	5% reduction	2.3% reduction	5% reduction
Fuel consumption (GRI 302)	No increase	12% increase	No increase
Greenhouse gases (GRI 305)	No increase	No increase	No increase
Water consumption (GRI 303)	5% reduction	31% reduction	Not exceeding 2007–2019 average
Waste generation (GRI 306)	No increase	No increase	No increase



Community consultation, Cockatoo Island.

STEWARD OUR PARKLANDS

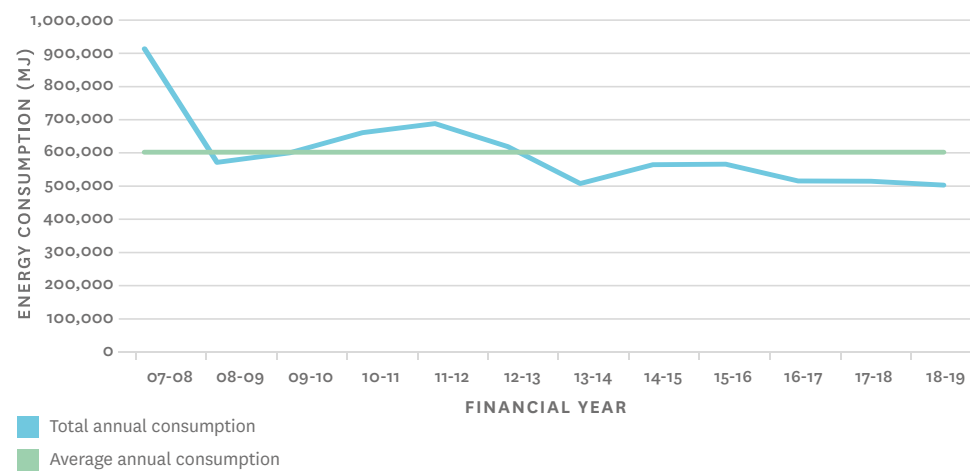
Energy Consumption

The Harbour Trust reduced its overall energy consumption for the reporting period by 2.3%. Our target was a 5% reduction based on the anticipated impact of downsizing our office space. It is expected that the full benefit of this measure will be achieved in 2019–2020.

Our new target will be a further 5% decrease in the total energy consumption as we complete our office space consolidation in the year ahead, implement measures to improve the performance of the air conditioning, replace light globes with LEDs, and encourage staff to implement behavioural change.

TOTAL ENERGY CONSUMPTION				
	Average (2007–2019)	2017–2018	2018–2019	Annual change (%)
Total Consumption (MJ)	602,180	514,671	503,059	- 2.3%

Office energy consumption



Energy Efficiency in Government Operations (EEGO) Policy

In 2018–2019, the Harbour Trust continued to achieve the electricity consumption targets set out in the Australian Government’s Energy Efficiency in Government Operations Policy (EEGO).

ELECTRICITY CONSUMPTION		
	EEGO Policy Target	2018–2019
Central Services (MJ/m2/annum)	400	176
Office Light and Power (MJ/person/annum)	7,500	5,590

Fuel Consumption

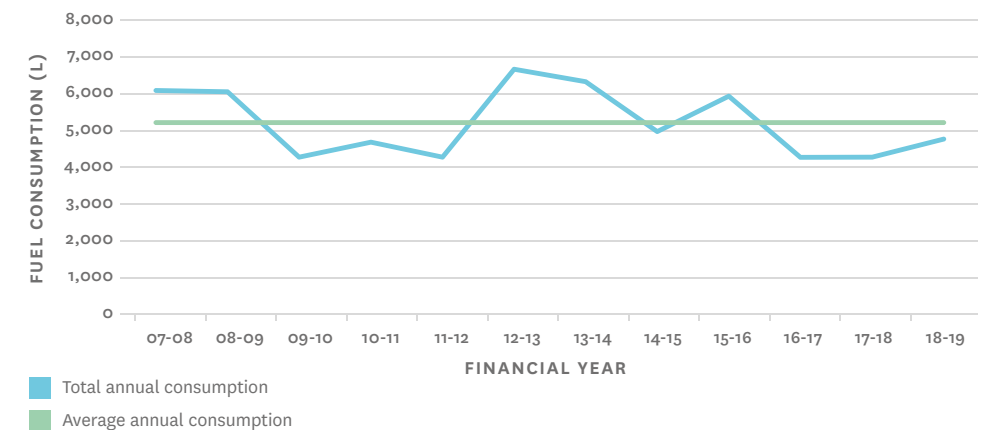
In 2018–2019, there was a minor increase in the Harbour Trust’s overall fuel consumption compared to the previous reporting period. This is attributable to the extensive site maintenance works undertaken across the various Harbour Trust sites, which increased the usage of the service vehicles.

Diesel consumption remained unchanged from the previous reporting period, while boat fuel consumption saw a reduction.

Our target for 2019–2020 is not to exceed the total fuel consumed in 2018–2019.

TOTAL VEHICLE FUEL CONSUMPTION (cars and boats)				
	Fuel consumption	2017–2018 (Litres)	2018–2019 (Litres)	Annual change (%)
CARS	Unleaded	1,874	2,628	
	Diesel	397	395	
	Subtotal	2,270	3,023	
BOATS	Unleaded	2,006	1,746	
	Subtotal	2,006	1,746	
	Total Fuel	4,276	4,769	12%

Fuel consumption



STEWARD OUR PARKLANDS

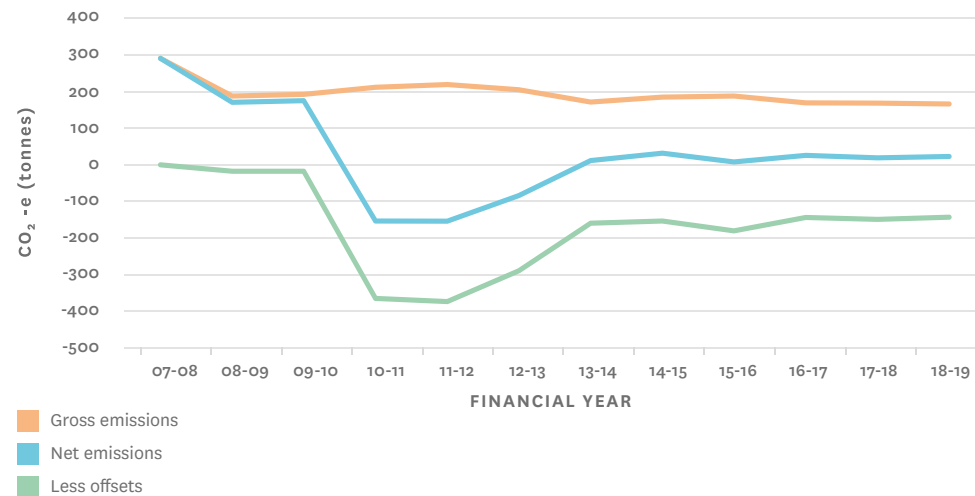
Greenhouse Gas Emissions

In 2018–2019, greenhouse gas emissions generated by the Harbour Trust’s energy and fuel consumption decreased marginally.

Our photovoltaic arrays at Cockatoo Island and North Head Sanctuary continued to help reduce our carbon footprint. However, a lower yield caused by the degradation and reduced performance of the photovoltaic equipment led to a small increase of 3.8 tonnes in the total Net Emissions.

CARBON FOOTPRINT				
	Average (2007–2019)	2017–2018	2018–2019	Annual Change (%)
Total gross emissions (tonnes of CO ₂ -e)	196.3	168.4	166.2	-1%
Less Offsets (Greenfleet/Greenpower)	-27	0	0	0
Less offset (Renewable Energy/Photovoltaic)	-165.9	-149	-143	-4%
Total Offsets	-193.2	-149	-143	-4%
Total Net Emissions (tonnes of CO₂-e)	30.4	19.4	23.2	19%

Greenhouse gas emissions



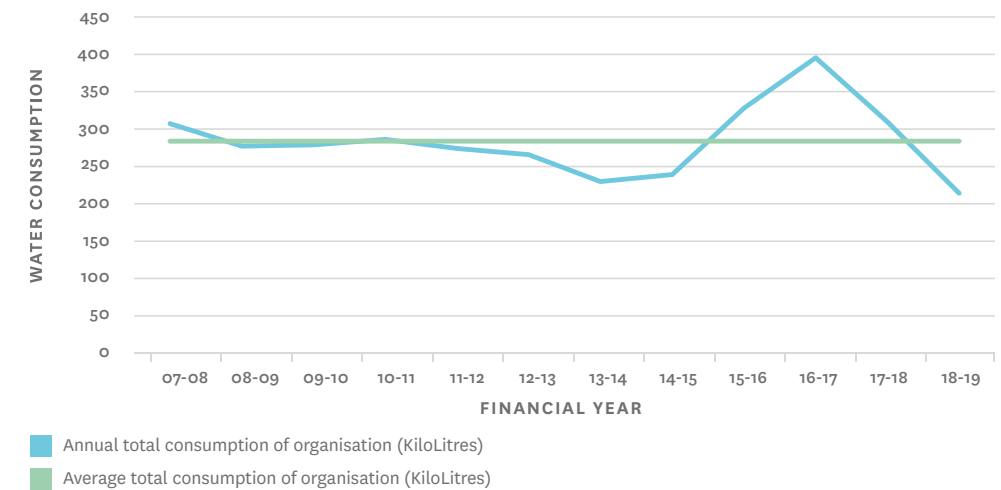
Water Consumption

In 2018–2019, potable water consumption decreased by 31%. Our target for 2019–2020 is for water consumption to not exceed the 2007–2019 average of the organisation’s total water consumption.

WATER CONSUMPTION (POTABLE)

	Average (2007–2019)	2017–2018 (Litres)	2018–2019 (Litres)	Annual change (%)
Total Office Consumption	283,800	309,600	214,199	-31%
Daily Consumption (Average)	1,135.20	1,243	860.24	-31%
Daily Average per person	19.20	27	19.12	-29%

Annual and daily water consumption



Waste Generation

The Harbour Trust generated an estimated 4.9 tonnes of waste in 2018–2019, on par with previous reporting periods.

Our waste generation is measured by the number of bins collected by our waste management contractor. As these bins are shared with tenants, this measurement does not reflect the amount of waste exclusively generated by the Harbour Trust. We continued to reduce the amount of waste sent to landfill by recycling paper, containers, soft plastics and organic kitchen waste (through worm farming).

There was no increase in paper usage across the organisation with each staff member using 8.68 reams of A4 copy paper, on average. This is within the target set by the Australian Government’s *ICT Sustainability Plan 2010–2015* for a maximum of 9 reams per person for internal copy paper. The Harbour Trust used paper that is carbon neutral certified under the National Carbon Offset Standard.

The Harbour Trust is aiming for no increase in waste generation in 2019–2020.

WELCOME EVERYONE

As caretakers of culturally and historically significant places, the Harbour Trust has a responsibility to ensure they are accessible for the enjoyment of all visitors. The Harbour Trust continues to seek new ways to deliver outstanding experiences and build enduring relationships with all visitors.

In 2018–2019, the Harbour Trust achieved record visitation, with our four principal sites attracting more than 1.87 million visits (surpassing our target of 1.75 million). This result can be attributed to the partial opening of the foreshore walk at Sub Base Platypus.

The combined visitor satisfaction rate for our principal sites was 95%.

Visitation was buoyed by a variety of site activations including partnership and cultural events, licensing and venue hire activities, and educational programs and tours. These were supported by an annual marketing and publicity campaign, which assisted in increased awareness and media reach.



During November and December 2018, the Harbour Trust celebrated the 200th anniversary of Macquarie Lightstation in Vaucluse — the site of Australia’s first lighthouse. This included partnering with Sydney Living Museums for *Sydney Open 2018* to provide the community with greater access to this important landmark, and partnering with Macquarie University to develop virtual reality material that was showcased during the celebration events and now is permanently online as a virtual tour.

Visitation and engagement

In June 2019, the Harbour Trust relaunched its flagship websites — harbourtrust.gov.au and cockatooisland.gov.au — with a fresh new look. These new websites have been designed to provide people with a clear pathway to find the information most relevant to them.

Highlights include an image-driven layout, dedicated webpages for international visitors, compliance with global accessibility standards, rich media including videos and an Instagram feed, interactive maps, and content that not only reveals the rich stories of our places but also helps people plan their next trip.

To support the new websites, the Harbour Trust adopted a new Customer Relationship Management (CRM) system to streamline data management and consolidate interactions with stakeholders, including current and potential visitors.

In 2018–2019, the Harbour Trust enhanced the visitor experience on Cockatoo Island with the implementation of a free guest analytics Wi-Fi solution. The information captured through the platform will shape the direction of future visitor and marketing strategy. A new-look brochure was also designed to improve the visitor journey at Cockatoo Island.

In 2018–2019, the Harbour Trust delivered a new visitor brochure for Headland Park, Mosman and overhauled the site’s wayfinding signage. Project objectives included improving the branding footprint on the site, the inclusion of easy-to-understand tenant directories with supporting maps and directional content. A new ‘What’s On’ signage system, featuring promotional content updated quarterly, was also delivered to help drive visitation to the site.

*Image opposite:
Haunted
History Tour,
Cockatoo Island.*

*Left:
Conversation
Field, Festival of
Dangerous Ideas,
Cockatoo Island,
(photograph by
Jodie Barker).*

WELCOME EVERYONE

Advertising and market research

In 2018–2019, the Harbour Trust made significant improvements to its advertising program, taking a digital first approach. This was supported by the optimisation of digital advertising capabilities, including Google Ads and paid social media.

The marketing strategy involved advertising in key tourism publications and the distribution of Harbour Trust collateral through tourist information kiosks in Sydney CBD. This was supported by advertising in local publications including the *Mosman Daily*, *Manly Daily*, *North Shore Times*, *Inner West Courier*.

External services

Under section 311A of the *Commonwealth Electoral Act 1918*, the Harbour Trust is required to report on payments made for the services of advertising agencies, market research organisations, polling organisations, direct mail organisations and media advertising agencies.

In 2018–2019, the Harbour Trust conducted advertising activities in support of various events, tours, programs and activities across our sites. These activities required the Harbour Trust to contract the services of a media advertising agency to assist with press advertising planning and booking. The Harbour Trust did not engage a polling organisation or undertake direct mail campaigns.

ORGANISATION	PURPOSE	EXPENDITURE (excluding GST)
Universal McCann	Advertising of events, tours and leasing opportunities	\$44,872.50
Cannings Strategic Communications	Provision of strategic corporate communications to the Harbour Trust	\$35,345.00

Programming and events

In 2018–2019, the Harbour Trust successfully delivered a range of significant partnership and venue hire events, which resulted in heightened visibility and awareness across all sites.

In October 2018, Cockatoo Island hosted the *Jaguar Land Rover Driving Challenge*. This was the first medal event for the *Invictus Games Sydney 2018*, a multi-sport event that included a high profile visit by the Duke and Duchess of Sussex.

Later that same month, the Harbour Trust welcomed a new cultural partner: the *Festival of Dangerous Ideas*. The sold-out event, previously held at the Sydney Opera House, was presented by the Ethics Centre and UNSW Sydney at Cockatoo Island from 3 to 4 November 2018 and attracted more than 4,000 attendees.

In January 2019, Cockatoo Island was named as an Official Venue and Technical Area for the inaugural event of the international sailing league *SailGP*. *SailGP Sydney 2019* had a total reach of 310 million people internationally with Cockatoo Island featuring in key media coverage.

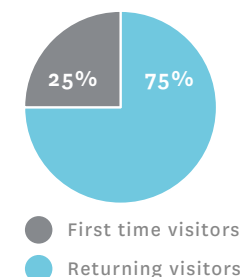
In addition, the Harbour Trust executed a series of events on Cockatoo Island, including the recurring New Year’s Eve event and our popular live music program, *Sunset Sessions*, held weekly during the summer period.

Headland Park

Where do they come from?



Who are they?

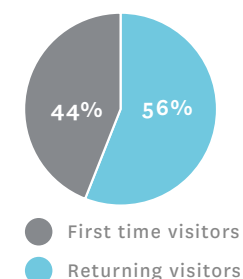


North Head Sanctuary

Where do they come from?



Who are they?

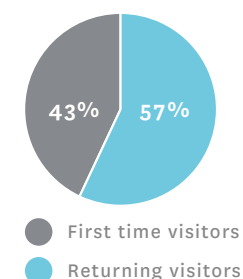


Cockatoo Island

Where do they come from?



Who are they?



Headland Park: Visitor Research Report conducted June 2019, with 332 completions, through visitor surveys.

North Head Sanctuary: Visitor Research Report conducted May 2019 – June 2019, with 342 completions, through visitor surveys.

Cockatoo Island: Visitor Research Report conducted December 2019 – May 2019, with 795 completions, through visitor and accommodation surveys.

WELCOME EVERYONE

Tours and education

In 2018–2019, we had a schedule of interactive, educational and family-friendly tours. In October 2018, a new tour was launched at Cockatoo Island: *Ghostyard — A Paranormal Tour* explores the Island's darker side and includes buildings that aren't ordinarily open to the public. Ticket sales continue to perform strongly, contributing to the organisation's tour revenue.

In line with the Harbour Trust's mission to engage the widest possible audience, we ran a series of accessible tours on Cockatoo Island from 15 to 20 February. Held to coincide with 2019 NSW Seniors Festival, this special tour included a 45-minute talk, presented at the historic Mess Hall, which provided attendees with insights into the island's layered history. The initiative was well received, with over 90 participants taking part in the tours over 6 days.

A total of 22,807 people participated in education programs and guided tours on Cockatoo Island in 2018–2019. Tours were run by paid and volunteer guides. Meanwhile, a total of 8,428 people embarked on a self-guided audio tour of Cockatoo Island and 1,299 people participated in organised on-demand tours on Cockatoo Island.

In 2018–2019, students from 113 schools participated in the four curriculum-based educational programs offered at Cockatoo Island.

Ghostyard — A Paranormal Tour, Cockatoo Island.



Projects, events and partnerships

Significant initiatives, including projects, events and partnerships, for 2018–2019 are listed below:

Cockatoo Island

- 'The Bachelorette' (July 2018)
- *Event and Filming Location Familiarisation* (August 2018)
- *Sunrise Conference* (September 2018)
- *Jaguar Land Rover Driving Challenge, Invictus Games Sydney* (October 2018)
- *Ghostyard tour launch* (October 2018)
- *Sunrise (Channel 7): Michael Bubl  at Cockatoo Island* (October 2018)
- *The Festival of Dangerous Ideas* (November 2018)
- *C2 International Conference* (November 2018)
- *Sunset Sessions* (November 2018 to February 2019)
- *New Year's Eve Event* (December 2018)
- *SailGP Sydney* (January 2019)
- *Sunrise (Channel 7): Live weather cross, SailGP* (January 2019)
- *Hillsong Powerhouse Summerfest* (January 2019)
- *Rabobank Farm2Fork Summit* (March 2019)
- *Accommodation Open Day* (March 2019)
- *Energizer and Triple M competition* (May 2019)
- *Sunset Sessions: Live Music for Reconciliation Week* (June 2019)
- *Crooked Characters, Haunted Histories, Ghostyard, on-demand tours* (ongoing)

Sub Base Platypus, North Sydney

- *Submarine Association Australia* (September 2018)

North Head Sanctuary, Manly

- *Bite Club storage/set* (June to September 2018)
- *Reckoning* (August and October 2018)

- *Location Familiarisation* (August 2018)
- *Sydney Striders Race* (October 2018, March and June 2019)
- *Warringah Remembers Commemorative Service* (June 2019)
- *Totally Wild (10 Peach): Exploration of North Fort Tunnels* (November 2018)
- *North Fort Tour, Third Quarantine Cemetery Tour* (ongoing)
- *EcoXplore School Education Tours*



James Parrett, M-fourtysix, Sculpture by the Sea, Headland Park.

Headland Park, Mosman

- *Serving Country Exhibition, by Belinda Mason* (June to July 2018)
- *Balmoral Triathlon* (October 2018 to March 2019)
- *Sculpture by the Sea 2018 winner, M-fourtysix by James Parrett* (November 2018)
- *HMAS Penguin 40th White Ribbon Fun Run* (November 2018)
- *Sydney Festival/Mosman Art Gallery T5 Tanks Exhibition* (January 2019)
- *Wild Women on Top* (March 2019)
- *Anzac Day Ceremony* (April 2019)
- *Tunnel and Gunners Tour* (ongoing)

Additional Activities

- *Macquarie Lightstation 200th Anniversary civic and community day events* (November 2018)
- *Macquarie Lighthouse tour* (ongoing)



WELCOME EVERYONE

Rangers

In 2018–2019, the nine-person Harbour Trust ranger team played a pivotal role in welcoming people to our sites and ensuring their safety. The role of our rangers is to maximise site safety and security, and ensure visitors have an enjoyable experience.

As well as keeping visitors informed and safe, our rangers assisted with the efficient facilitation of major events including the *Sydney to Hobart Yacht Race* and our *New Year's Eve event* at Cockatoo Island. They also monitored and reported work health and safety issues, managed transport to and from Cockatoo Island, responded to emergencies and incidents, oversaw Cockatoo Island closures, and assisted tenants, volunteers and staff during disruptions to normal operations.

Our rangers continued to be responsible for security and safety across all Harbour Trust sites. They also enforced compliance with our legislation and parking provisions, and helped protect native flora and fauna.

Media and publicity

In 2018–2019, the Harbour Trust consistently enjoyed positive media coverage across broadcast, print and digital media.

Celebrations for the 200th anniversary of Macquarie Lightstation drew TV, radio, print and digital exposure. Successful media moments for the site included its inclusion in *Sydney Open 2018*, the discovery of an underground tunnel, and the official anniversary celebrations. This coverage helped the site reach an audience of more than 12 million.

Cockatoo Island received worldwide coverage between September and November as the location for the opening event of the *Invictus Games Sydney 2018*. This received an audience of over 47 million. Following this, the Harbour Trust launched *Ghostyard — A Paranormal Tour* which received national coverage and an audience of over 8 million.

In June 2019, the Harbour Trust invited top-tier travel and lifestyle journalists to experience the history of Headland Park and enjoy an overnight stay at Cockatoo Island. As of 30 June 2019, Cockatoo Island and the Harbour Trust had already received direct media coverage from the initiative, reaching an audience of more than 1 million, with more coverage expected into the next reporting period.

Above: 200th anniversary of Macquarie Lightstation.

Image opposite: Harbour Trust Rangers celebrating World Ranger Day, Headland Park.



BUILD PARTNERSHIPS



Community engagement, partnerships and collaboration underpin the Harbour Trust's work.

We welcome and create opportunities for local stakeholders and the broader community to engage with us and inform the way we approach our important places.

In 2018–2019, we continued to consult with local community members and groups and liaise with key stakeholders about the management of our sites.

Stakeholder and community engagement

The Harbour Trust has Community Advisory Committees (CACs): the general Harbour Trust CAC and the Sub Base Platypus CAC. A total of seven meetings were held in 2018–2019. A full list of the Harbour Trust's CAC members is included in Appendix 2, page 117. In April 2019, the Harbour Trust undertook a committee member review and renewal process. In May 2019, a new General CAC was appointed, a number of existing members continued in their role, and new members were appointed. The Harbour Trust also has an Aboriginal and Torres Strait Islander Advisory Group. A total of two meetings were held in 2018–2019.

In 2018–2019 the Harbour Trust invited public comment on a draft Recreation Strategy. A total of 48 submissions were received, providing the Harbour Trust with a broad cross section of feedback.

In May 2019, the Harbour Trust began a variety of consultation activities with key stakeholders including representatives from government, the community and industry to spark dialogue about the future of Cockatoo Island and its place in Sydney. To ensure First Nations perspectives and stories are accurately captured throughout the process, the Harbour Trust also engaged First Nations consultants.

These complementary consultation processes are still underway.

Additionally, the Harbour Trust held formal and informal meetings with key stakeholder groups, government agency staff, councils, local members, communication organisations and individuals to discuss the management of our sites.



Image opposite: Community consultation, Cockatoo Island.

Volunteers receiving their 10 year service awards, Cockatoo Island.

Volunteers

Volunteers continued to provide invaluable assistance to the Harbour Trust, not only by providing essential services but also through their role as ambassadors.

In 2018–2019, we onboarded 12 new members to our volunteer team to assist with visitor services at Cockatoo Island and North Head, maintain gardens at Cockatoo Island and support major events. In addition, the Harbour Trust recruited its first administration volunteer — a new role created to provide support to the Marketing and Visitor Experience team. This specialised volunteer has shared their high-level administration skills, improving methods of data collection and presentation. The 243-strong volunteer team contributed over 29,300 hours during 2018–2019.

Nine volunteers celebrated 10 years of service with the Harbour Trust in 2018 and their dedication was recognised at the Chair's Christmas party with a certificate and badge.

BUILD PARTNERSHIPS

The Harbour Trust engaged volunteers for 17 regular roles, including visitor service officers, tour guides, photographers, restoration and maintenance workers, gardeners, researchers, and interviewers and transcribers for our Oral History Program.

Volunteers assisted the Harbour Trust by sitting on the Work Health and Safety Committee and through their involvement in our Community Advisory Committees.

The skilled Volunteer Restoration Team at Cockatoo Island commenced the restoration of Travelling Steam Crane No. 1, which is the sister crane to the already restored Travelling Steam Crane No. 2. The completion of this project will conclude the Harbour Trust's efforts to restore the cranes that occupy Cockatoo Island's historically significant Docks Precinct. The North Head Volunteer Restoration team commenced restoration work on the underground WWII Plotting Room, which will enhance our public programs by allowing tour access for the first time in 2020.

Volunteers continued to encourage people to visit our sites through a program of free talks, including talks delivered directly to community groups and our *Trust Talk* initiative, which saw participation from Harbour Trust staff, volunteers and the public. At Harbour Trust sites, volunteers assisted members of the public to enjoy their visit. They also facilitated guided tours at Macquarie Lightstation (*Macquarie Lighthouse Tour*), North Head Sanctuary (*North Fort Tour and Third Quarantine Cemetery Tour*) and Headland Park (*Tunnels and Gunners Tour*).

Volunteers contributed to the Harbour Trust endeavours outside of their regular roles by offering support for major events. These included the recurring *New Year's Eve* event at Cockatoo Island, the *Cockatoo Island Accommodation Open Day*, the bicentennial celebrations for Macquarie Lighthouse, and the Harbour Trust's inaugural involvement in the *Sydney Open*. Volunteers also assisted with a Cockatoo Island tour introduced during the 2019 *NSW Seniors Festival*. Volunteers continue to contribute their site expertise to enhance Harbour Trust printed material and the visitor experience.

Image opposite: Volunteer Restoration, Steam Crane No. 1, Cockatoo Island.

Below: Harbour Trust Volunteers, Headland Park.



BUILD PARTNERSHIPS

Local partnerships

In 2018–2019, the Harbour Trust partnered with local organisations on activities that met shared objectives for our sites.

North Head Sanctuary

The Harbour Trust continued to partner with the North Head Sanctuary Foundation to restore North Head Sanctuary's ecological values. Volunteers maintained an onsite nursery, restored bushland, and educated visitors about North Head's unique ecology.

The Australian Wildlife Conservancy provided scientific services at North Head Sanctuary for the Harbour Trust. Services included monitoring endangered population of Long-nosed Bandicoots as well as other species.

The Harbour Trust's partnership with Soldier On helped provide services that support returned service men and women and emergency services personnel. Soldier On developed and fostered relationships with the broader community including UNSW and the Australian Institute of Police Management and provided support to the 2018 *Invictus* Program. Soldier On directly hosted more than 60 veterans at North Head in 2018–2019. Through their involvement in activities in broader Sydney, Soldier On has supported approximately 500 veterans.

At North Fort, the Royal Australian Artillery Historical Company continued to maintain Australia's Memorial Walk. The *Warringah Australia Remembers Commemorative Service* was again held at North Head. This event recognised the attack of Sydney Harbour by Japanese mini-submarines during World War II.

Headland Park

The Harbour Trust supported initiatives at Headland Park. On 25 April 2019, we held an *Anzac Day service* in partnership with the Mosman RSL, with over 2,000 guests in attendance. On 21 November 2018, Harbour Trust land at Headland Park was the primary location for the annual *HMAS Penguin 40th White Ribbon Fun Run*, which raised awareness of Australia's campaign to stop violence against women. In January 2019, Mosman Art Gallery returned to the T5 Fuel Tanks for the *Sydney Festival* with a site-specific soundscape artwork by a selection of Sydney-based artists.

The Sydney Institute of Marine Science, located at Chowder Bay, has hosted over 1,200 students for curriculum linked workshops during the year and hosted approximately a further 1,000 public visitors attending lectures, tours and open day activities.

Sub Base Platypus

At Sub Base Platypus, the Harbour Trust provided support to Submarine Association Australia to host their annual general meeting and conduct a remembrance service for all ex-submariners.

Cockatoo Island

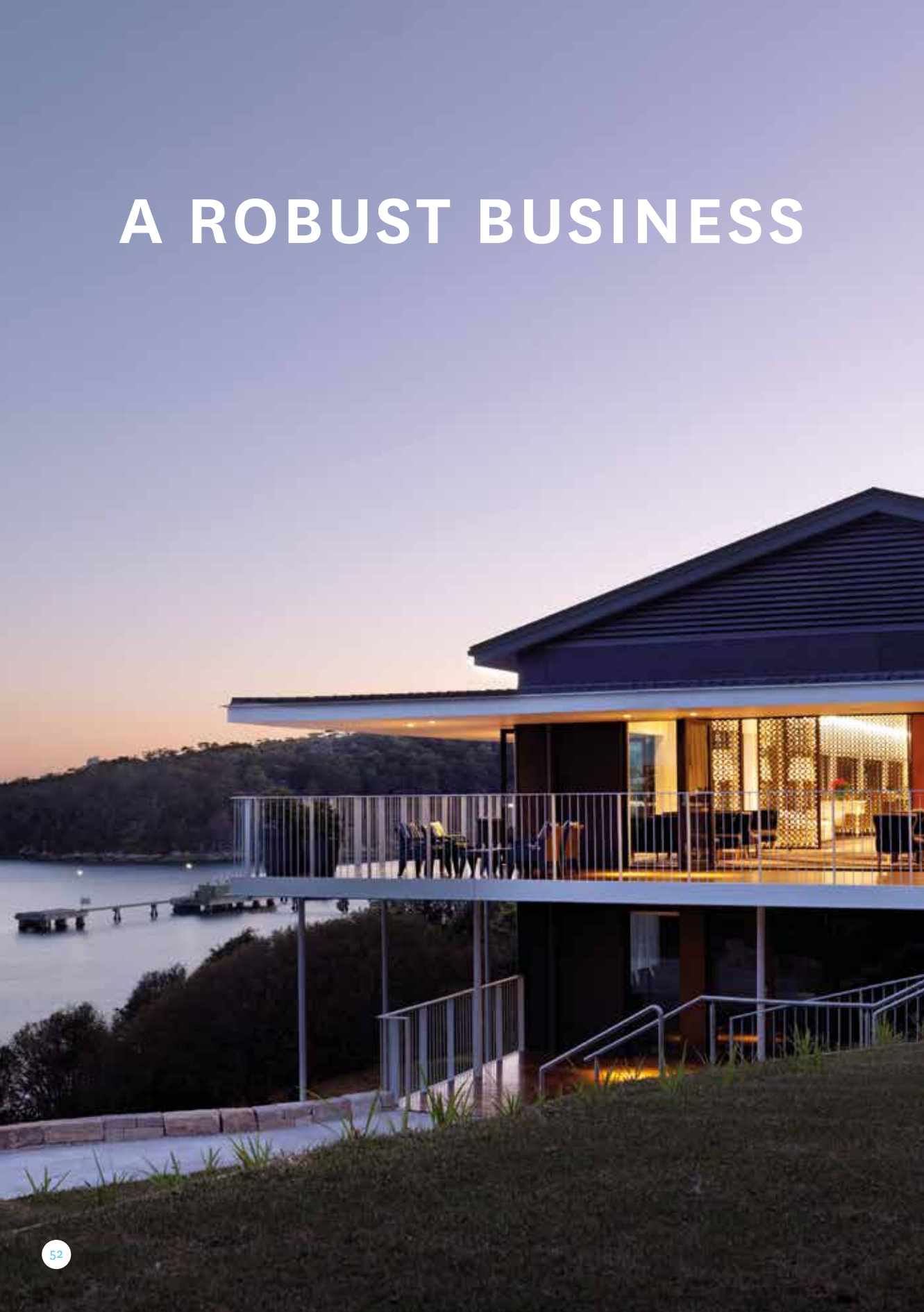
In 2018–2019, the Harbour Trust supported a range of larger scale events on Cockatoo Island. In October 2018, the *Festival of Dangerous Ideas* was held in partnership with the Ethics Centre, and the sold-out event drew positive reviews. In January 2019, the international sporting league *SailGP* launched, with Cockatoo Island serving as the Official Venue of the Sydney F50 *SailGP* event.

The success of these events helped highlight the important role partnerships play in increasing opportunities to grow and diversify our audiences.

Image opposite: *Festival of Dangerous Ideas, Cockatoo Island* (photograph by Jodie Barker).



A ROBUST BUSINESS



The Harbour Trust's leasing and accommodation portfolio continues to perform well. This consistent performance is linked to a well-established commercial leasing portfolio with 165 tenancies, a low vacancy rate of less than 3%, refurbishment of 5% of residential leasing properties and consistent turnover of visitors in our short term accommodation.

Tenant Survey

In October 2018, a commercial tenant satisfaction survey was conducted by the Harbour Trust. The results showed above average satisfaction toward the property and leasing team in responsiveness to queries and in providing explanations on leasing conditions and procedures.

Key actions by the Harbour Trust to strengthen our performance include the introduction of an improved Customer Relationship Management System to aid in process performance and improvements in quality and timeliness of responses.

Commercial leasing

The Harbour Trust's commercial leasing portfolio remains competitive to similar properties in adjoining suburbs across the lower north shore of Sydney.

An open market leasing campaign continued through 2018–2019 to secure appropriate tenants for Sub Base Platypus.

We also retained and attracted a diverse range of tenants across all sites. New tenants for 2018–2019 included health facilities, professional services and environmental consultants.

Residential leasing

The Harbour Trust manages 53 residential houses, located in Mosman, Manly and Vaucluse.

In 2018–2019, the Harbour Trust undertook three major house renovations and four minor renovations. Three additional houses have been earmarked for major works in 2019–2020.

Accommodation

The temporary accommodation at Cockatoo Island targets domestic, international, corporate and school groups visitors. There is a range of accommodation options; including a campground (BYO and deluxe camping), heritage houses and apartments.

In 2019, Cockatoo Island's heritage houses and apartments were refurbished with the addition of new furniture and updated décor. This investment ensures that the accommodation offer remains competitive in price and quality and assists with guest satisfaction.

In 2018–2019, the Harbour Trust continued to work with schools and supported organised educational activity from specialist providers; Urban Challenge, Lands Edge and Outdoor Education Australia.



Heritage
Holiday House,
Cockatoo Island.

Image opposite: Sergeants Mess, Headland Park.



Woolwich Dock and Parklands.

A ROBUST BUSINESS

Licensing and venue hire

In 2018–2019, the Harbour Trust focused on attracting significant, large scale and professionally managed venue hire and partnership opportunities. This resulted in increased awareness and visitation. Some of the major events included start up conference Sunrise Island, the *Jaguar Land Rover Driving Challenge for Invictus Games*, *Festival of Dangerous Ideas* conference, *C2 International*, *Hillsong Summerfest*, *SailGP Sydney* and *Rabobank Farm2Fork Summit*.

North Head Sanctuary, Cockatoo Island and Headland Park continue to attract business through filming and television production companies. In August 2018, television program *Reckoning* filmed three blocks of the series at North Head, showcasing Building 1, Building 44 and surrounding areas. In July 2018, Warner Bros shot an episode of *The Bachelorette* on Cockatoo Island. Warner Bros returned to Cockatoo Island in April 2019 to shoot an episode of *The Bachelor*.

Corporate governance

Board meetings

In 2018–2019, the Harbour Trust Board met eight times. Tim James was appointed to the Board on 1 April 2019. Sally Herman completed her term on 28 April 2019. Sandra Hook was reappointed to the Board on 29 April 2019. One Board position remains to be filled, which must be nominated by the NSW Government.

NAME	MEETINGS ATTENDED
Joseph Carrozzi (Chair)	7 of the possible 8
Jean Hay AM (Deputy Chair)	8 of the possible 8
Garth Callender	8 of the possible 8
Josephine Cashman	7 of the possible 8
Sally Herman	5 of the possible 5
Sandra Hook	8 of the possible 8
Jessica Keen	8 of the possible 8
Tim James	3 of the possible 3

Rabobank Farm2Fork Summit, Cockatoo Island.



A ROBUST BUSINESS

Portfolio Audit Committee meeting

The Portfolio Audit Committee was established by the Accountable Authorities of the Department of the Environment and Energy, the Director of National Parks and the Harbour Trust. This was in accordance with Section 45 of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act) and Section 17 (Audit Committee for Commonwealth Entities) of the *Public Governance, Performance and Accountability Rule 2014* (PGPA Rule).

Its role is to provide independent assurance to the Accountable Authorities on each entity's financial and performance, reporting responsibilities, risk oversight and management, and system of internal control and compliance.

The Committee is chaired by an independent member and met four times during the reporting period.

Australian National Audit Office Audit

In 2018–2019 the Australian National Audit Office (ANAO) completed an audit of the Harbour Trust, covering the 'Effectiveness of Board Governance at the Sydney Harbour Federation Trust'. The audit was completed as part of the ANAO's multi-year audit program that examines aspects of the implementation of the *Public Governance, Performance, and Accountability Act 2013* (PGPA Act). The report was released on 2 May 2019. The audit report provided three recommendations, all of which the Harbour Trust agreed to implement.

Fraud control

Fraud control within the Harbour Trust is overseen by the Board as well as the Portfolio Audit Committee. The basis of the Harbour Trust's fraud policies and procedures are the Commonwealth Fraud Control Guidelines.

Throughout 2018–2019, the Harbour Trust provided regular reports on Fraud Control to both the Board and the Portfolio Audit Committee.

The Harbour Trust has a Fraud Control Policy and a Fraud Control and Corruption Plan in place. The Fraud Control Policy was last reviewed in November 2017, with the next scheduled review date set for November 2019.

The Harbour Trust has a detailed Fraud Risk Exposure Risk Analysis Assessment, which was conducted in June 2018. As per the Fraud Control Policy, the assessment must be conducted once every two years, or where either the organisation undergoes a substantial change in structure or function, or a significant transfer in function.

Indemnities and insurances

In 2018–2019, the Harbour Trust had the following insurance policies with Comcover:

- General Liability
- Professional Indemnity
- Directors and Officers Liability
- Property and Motor Vehicle
- Travel Outside of Country

In addition, the Harbour Trust held workers compensation insurance with Comcare.

The Harbour Trust did not provide any indemnities to directors or officers for liabilities or claims against them during the reporting period.

Procurement

In 2018–2019, the Harbour Trust partnered with external counsel to review and update its procurement guidelines, procedures and templates (where required). These connected guidelines and procedures are aligned to the updated Commonwealth Procurement Rules as of April 2019 and internal audits are conducted against those criteria.

Tendering and contracting

The Harbour Trust undertakes both major construction design and project works, as well as the outsourcing of key services requiring highly specialised skills and equipment.

In 2018–2019, the Harbour Trust ran a number of higher value tenders including the following:

- Stage 1B Construction Works at Sub Base Platypus — \$14,760,387
- Refurbishment Gatehouse Building at Sub Base Platypus — \$1,465,268
- Bushland regeneration contracts (all sites) — \$331,672
- Crane safety works at Cockatoo Island — \$297,596
- Barging — \$1,408,035 (not yet finalised)

The Harbour Trust also engaged consultants with a total value of \$717,063 (excluding GST) to provide specialist advice on acoustics, archaeology, bushfire management, conservation and heritage, engineering services, environmental services, fire and safety, graphic design, IT, legal fees and disbursements, marketing and public relations, planning and other technical aspects relating to sites.

Government policy orders

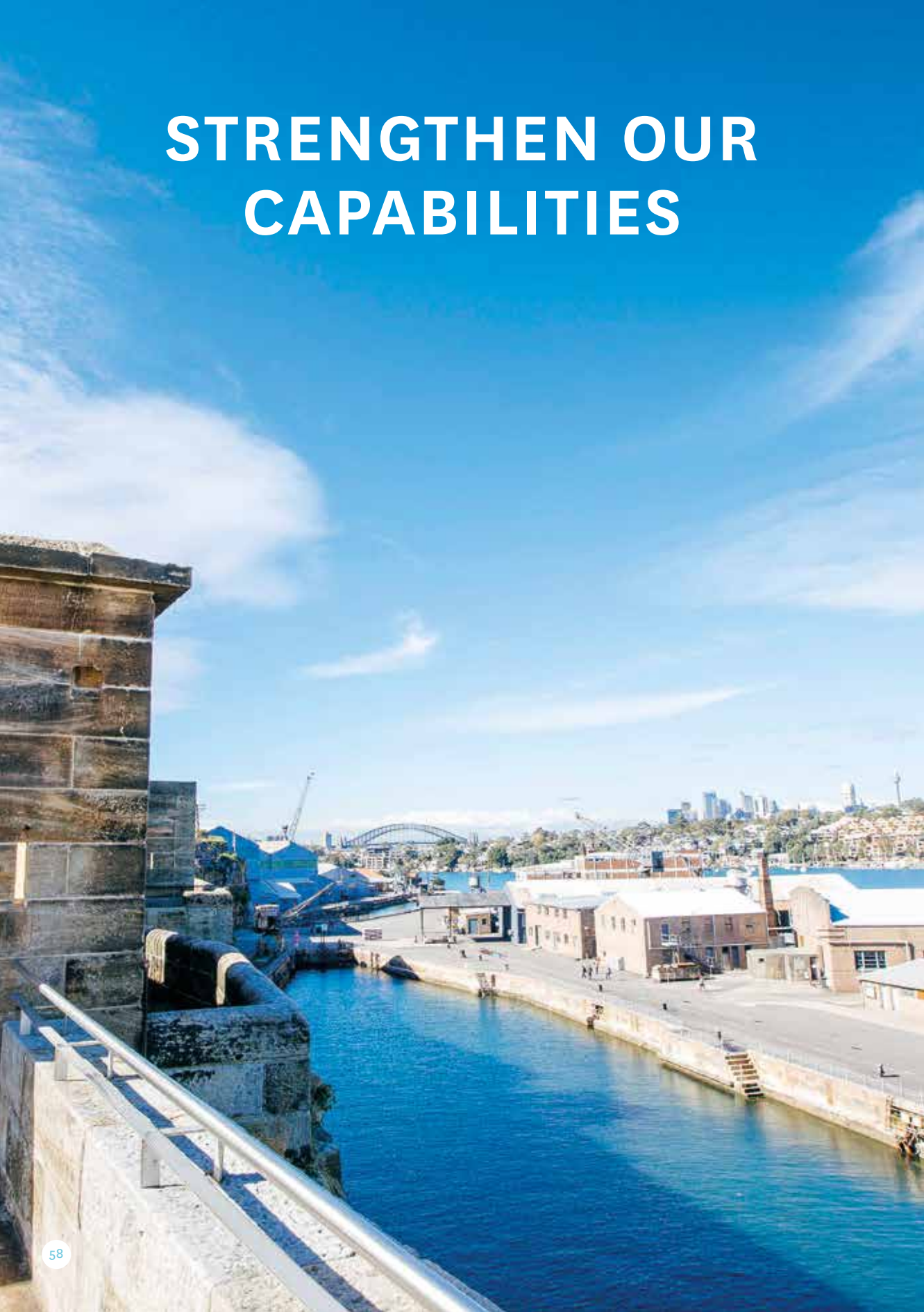
A Government Policy Order (GPO) is an order made by the Minister for Finance under the PGPA Act, that specifies a policy of the Australian Government that is to apply to one or more corporate Commonwealth entities.

The Harbour Trust is subject to one GPO, being the *Public Governance, Performance and Accountability (Charging for Regulatory Activities) Order 2017*. The Harbour Trust charges for regulatory activities such as Liquor Permits and Planning Applications (previously referred to as Development Applications) that occur on its land. A Cost Recovery Implementation Statement (CRIS) is published on the Harbour Trust's website, which reports financial and non-financial performance information for these activities and contains financial forecasts for three years from 2019–2020.

Sunset Sessions,
Cockatoo Island.



STRENGTHEN OUR CAPABILITIES



Human resources

Employees

Employees of the Harbour Trust are engaged under section 48 of the SHFT Act, with the terms and conditions of their employment prescribed by the *Sydney Harbour Federation Trust Enterprise Agreement 2016–2019*. With the approval of the Australian Public Service Commission, this Enterprise Agreement was extended for a further three years.

Image opposite: Docks Precinct, Cockatoo Island.

Staff headcount during 2018–2019 was 68, comprising of 50 full-time, 10 part-time and 8 casual employees. To enhance staff retention and enhance staff satisfaction, significant work was carried out in 2018–2019 to convert non-ongoing staff to ongoing contracts of employment where appropriate. All staff are based in the Sydney region.

Classification	Male	Female	Full-time	Part-time	Casual	Ongoing	Non-ongoing
Executive Director	0	1	1	0	0	0	1
Senior Executive	2	3	4	1	0	4	1
EL2	6	4	9	1	0	8	2
EL1	6	6	10	2	0	10	2
L6	3	6	6	3	0	8	1
L5	3	4	6	1	0	7	0
L4	3	2	4	1	0	2	3
L3	6	4	9	1	0	10	0
L1 - 2	3	6	1	0	8	0	1
Trainees	0	0	0	0	0	0	0
Total	32	36	50	10	8	49	11

Information about remuneration for key management personnel is included in Appendix 5, page 121.

Equity, diversity and inclusion

The Harbour Trust's commitment to the principles of equity and diversity is reflected in policies including the Harbour Trust Disability Action Plan and Indigenous Employment Strategy.

Disability Action Plan

The primary objective of the Harbour Trust Disability Inclusion Action Plan is to ensure equitable and dignified access to employment for all people, regardless of disability. We are committed to reducing and, where possible, eliminating discriminatory barriers for people with disability, whether they are in employment or seeking employment with the Harbour Trust. At the end of 2018–2019, people with a disability accounted for six per cent of our overall workforce.

STRENGTHEN OUR CAPABILITIES

Indigenous Employment Strategy

The Harbour Trust strives to maintain a workforce that represents a diversity of knowledge, experience and backgrounds. In particular, as the protector of places of enduring significance for First Nations Peoples, it is important that our workforce meets and exceeds the 2018 indigenous employment target for Commonwealth Agencies of 3% of the workforce. At the end of 2018–2019, the Harbour Trust had two full-time Indigenous employees, equalling 3.5% of our workforce.

Organisational capabilities — learning and development

Throughout 2018–2019, the Harbour Trust continued to invest in training and development to enhance the skills and competencies of our staff.

Our Learning and Development expenditure for the year focussed on the following areas:

- Aboriginal cultural appreciation
- Unconscious Bias/Diversity
- Leadership skills for EL1 and EL2 employees
- Executive Leadership Development
- Executive Mentoring
- Coach the Coach training
- Contract Management
- Plain English Writing
- Work Health and Safety (WHS) requirements, including WHS system review training for all staff, Fire Warden and Emergency evacuation training
- Critical Incident Management
- Risk assessment training

- Senior First Aid, CPR, Responsible service of Alcohol, Boat Licencing, White Card training
- Maintaining key qualifications and increasing industry knowledge (e.g Women in Real Estate Conference, Company Secretary Course)

Public Interest Disclosure

The Harbour Trust reported to the Commonwealth Ombudsman that there were two Public Interest Disclosures made during 2018–2019, thereby complying with the *Public Interest Disclosure Act 2013*.

Length of Service Awards

During 2018–2019, we recognised a number of staff for long term service to the Harbour Trust.

We are pleased to report that 25 staff were recognised across the following categories:

Over 5 years

14
STAFF

Over 10 years

4
STAFF

Over 15 years

7
STAFF

Image opposite: Third Quarantine Cemetery, North Head Sanctuary.





Australian Memorial Walk, North Head Sanctuary.

STRENGTHEN OUR CAPABILITIES

Access and safety

Risk management

The Harbour Trust promotes and supports a culture of effective risk management in all its strategic and daily operational activities, complying with its responsibilities under all relevant laws, regulations and adopting effective best practice. The effective risk assessment and management of risk underpins the Harbour Trust's governance framework. It is critical to meeting the organisation's responsibilities under the *Public Governance, Performance and Accountability Act 2013*.

The Harbour Trust utilises relevant parts of the Commonwealth Risk Management Policy in setting the risk framework to identify, assess and manage its risks. The risk management framework is also informed by the principles and guidelines articulated in the Australian Risk Management Standard (AS/NZS ISO 31000:2009). The Harbour Trust framework includes policies, procedures, guidelines and operational tools to support informed decision making for the management of risks.

The Harbour Trust has an organisation-wide risk register, which is reviewed at least on a quarterly basis or as new risks arise or when a review is required. The organisational risk register is provided biannually to the Portfolio Audit Committee and is reported to the Board.

Work Health and Safety

The Harbour Trust and all workers recognise their obligations under the *Work Health and Safety Act 2011 (Cth)*, its related regulations and codes of practice. During 2018–2019, the Harbour Trust's Work Health and Safety system was reviewed to make it more applicable to our business operations and there were initiatives in support of the organisation's safety culture. This work is validated by our WHS statistics for 2018–2019, which show increased compliance with incident reporting and zero lost time injuries.

WHS statistics

WHS Statistics 2017–2018 and 2018–2019 for employees.

HAZARDS, INCIDENTS, INJURIES	2017–2018	2018–2019
Number of incidents and accidents reported	8	17
Number of lost time injuries	2	0

Notifiable incidents

There were 3 incidents notified to Comcare in the reporting period.

Judicial decisions and reviews by outside bodies

There were no judicial decisions or decisions of other administration appeal tribunals that had a significant impact on the operation of the Harbour Trust in 2018–2019.

Furthermore, there were no reports on the operations of the Harbour Trust by the Auditor-General or reports by a parliamentary committee other than:

- The annual Australian National Audit Office (ANAO) audit on the Financial Statements; and
- The ANAO audit into the Effectiveness of Board Governance at the Harbour Trust.

Ministerial directions

No ministerial directions were given to the Harbour Trust during the reporting period.

Compliance

The Board will be provided with a report from management identifying the compliance reporting process. We have identified fire safety compliance as a focus for the year ahead.

2018-19 ANNUAL PERFORMANCE STATEMENTS

Introductory statement

We, the Sydney Harbour Federation Trust Board — as the accountable authority of the Sydney Harbour Federation Trust — present the 2018–2019 Annual Performance Statements of the Sydney Harbour Federation Trust, as required under paragraph 39(1)(a) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act). In our opinion, these Annual Performance Statements are based on properly maintained records, accurately reflect the performance of the entity in the reporting period, and comply with subsection 39(2) of the PGPA Act.

Entity purpose

Enhanced appreciation and understanding of the natural and cultural values of Sydney for all visitors, through the remediation, conservation and adaptive re-use of, and access to, Trust lands on Sydney Harbour (Outcome 1, 2018–2019 Portfolio Budget Statements — Environment and Energy Portfolio, p. 270).

To achieve this purpose, the Harbour Trust identified five key results areas with performance criterion in its Corporate Plan for 2018–2022 to ensure that the organisation is on target to meet its strategic goals.

Corporate Plan and performance indicators

In 2018, the Harbour Trust Board approved the *Sydney Harbour Federation Trust Corporate Plan 2018–2022* (Corporate Plan) which set out the specific performance criterion for 2018–2019, as well as the Key Performance Measure targets out to 2021–2022. These Annual Performance Statements have been prepared to report on the Harbour Trust’s performance in 2018–2019 against the Corporate Plan.

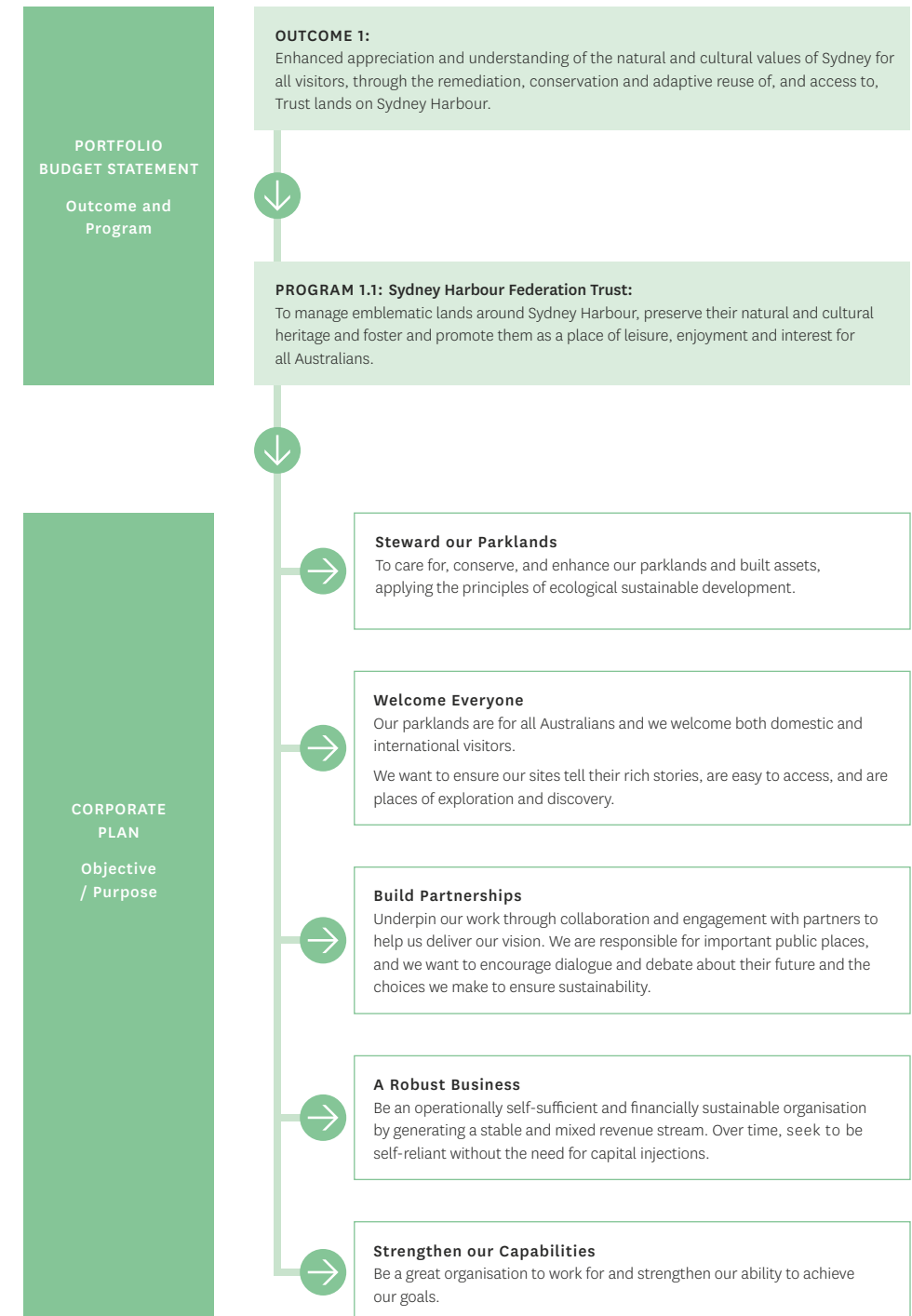
Alignment between Portfolio Budget Statements 2018–2019 and the Corporate Plan 2018–2022

For each year, the Harbour Trust’s Portfolio Budget Statements (PBS) and Corporate Plan set out the specific performance criterion (including measures and targets) to be used for the upcoming reporting period.

For the 2018–2019 reporting period, the performance measure targets were reassessed and revised during the time between the compilation of the PBS and the Corporate Plan.

As 2018–2019 was the first period for reporting on a number of the key performance measures put forth, the original targets set in the PBS reflected an immature data set. The latter publication of the Corporate Plan enabled it to draw upon a more complete data set, resulting in revisions to the original targets set. No changes were made to the performance criterion or the measures themselves.

Alignment between Sydney Harbour Federation Trust’s 2018-2019 PBS and Corporate Plan



ANNUAL PERFORMANCE STATEMENTS

Performance criterion: Steward Our Parklands

To care for, conserve, and enhance our parklands and built assets, applying the principles of ecological sustainable development.

Criterion source

- Program 1.1, 2018-2019 Portfolio Budget Statements — Environment and Energy Portfolio, p. 273.
- Sydney Harbour Federation Trust Corporate Plan 2018–2022 — Steward Our Parklands, p. 10.

Results against performance criterion

The Harbour Trust's 2018–2022 Corporate Plan set the following strategic goals for this criterion:

STRATEGIC GOALS

1. Be a leader in the conservation, interpretation and adaptive reuse of heritage assets, and progressively bring more spaces back to life.
2. Partner with Indigenous custodians to care for the land.
3. Rehabilitate and preserve our natural environment.

In 2018–2019, the Harbour Trust set the following priority actions and performance measures with relation to this criterion:

2018–2019 PRIORITY ACTIONS	OUTCOME
1. Finalise and commence implementing the Strategic Asset Management Plan so that we protect and preserve our built and natural assets in a prioritised, timely, and cost effective manner.	Achieved The Strategic Asset Management Plan (SAMP) was finalised and presented to the Harbour Trust Board in December 2018. The SAMP is being used for operational and capital expenditure planning for the 2019–2020 Financial Year.
2. Implement the Reconciliation Action Plan.	Achieved The RAP has been implemented. Regular RAP Performance Reports have been compiled throughout the period to assess progress.
3. Substantially complete the next phase of renewal works of Sub Base Platypus.	Partially achieved Construction works continue on Sub Base Platypus Stage 1B, with practical completion expected in October 2019.
4. Finalise the Recreation Strategy to facilitate increased active recreation on our sites.	Partially achieved The draft Recreation Strategy was exhibited for public comment in 2019. The Board considered submissions and the finalisation of the Strategy at its July 2019 meeting.

2018–2019 PRIORITY ACTIONS

OUTCOME

- | | |
|--|---|
| 5. Work closely with stakeholders and neighbouring land managers, particularly NSW National Parks and Wildlife Service on its plans for Middle Head. | Achieved
Highlights include consultation with the CAC and other relevant stakeholders and land managers regarding the draft Management Plan for Macquarie Lightstation, the design concept for the Torpedo Factory at Sub Base Platypus, and the draft Recreation Strategy. |
| 6. Review and update Asbestos and Hazardous Material Manuals for North Head Sanctuary, Headland Park and Cockatoo Island. | Achieved
The Asbestos and Hazardous Material Manuals have been updated for North Head Sanctuary, Headland Park and Cockatoo Island. |

Key performance measures (results at 30 June 2019)

PERFORMANCE MEASURE	TARGET	ACTUAL
% of our land open to the public	90%	90%
Source Data – Precinct spatial maps		
% of our built assets in active use	81%	74%
Source Data – Asset register		
Visitor satisfaction with the public domain	>88%	88%
Source Data – Visitor surveys		

Analysis of performance

The Harbour Trust achieved four of the six 2018–2019 Priority Actions (with the others partially achieved) set in regards to meeting the Strategic Goals of the Steward Our Parklands Performance Criterion. In addition, two of the three Key Performance Measure targets were met.

The finalisation and implementation of the Strategic Asset Management Plan (SAMP) in 2018–2019 has advanced the Harbour Trust's ability to conserve, interpret and adaptively reuse our heritage assets. We also launched the Innovate Reconciliation Action Plan 2018–2020, and have been making strong progress against the deliverables set.

However whilst works on Sub Base Platypus Stage 1B progressed throughout the year, extensions of time for practical completion were granted due to the impact of external factors such as the discovery of unknown contaminants, as well as delays caused by adverse weather conditions. These delays have contributed in part to the Harbour Trust's performance with respect to the percentage of built assets in active use key performance measure.

We also were delayed in finalising the Recreation Strategy to enable community consultation. The strategy was finalised in August 2019.

ANNUAL PERFORMANCE STATEMENTS

Performance criterion: Welcome Everyone

Our parklands are for all Australians and we welcome both domestic and international visitors. We want to ensure our sites tell their rich stories, are easy to access, and are places of exploration and discovery.

Criterion source

- Program 1.1, 2018-2019 Portfolio Budget Statements — Environment and Energy Portfolio, p. 273.
- Sydney Harbour Federation Trust Corporate Plan 2018-2022 — Welcome Everyone, p. 12.

Results against performance criterion

The Harbour Trust's 2018-2022 Corporate Plan set the following strategic goals to be achieved for this criterion:

STRATEGIC GOALS

1. Make our places ones of discovery and delight that draw visitors.
2. Make our parks more widely known.
3. Strengthen ties with those with a deep connection to our sites, including Indigenous custodians, military families and veterans, and the industrial workforce of Cockatoo Island.
4. Make visiting our places a great experience.

In 2018-2019, the Harbour Trust set the following priority actions and performance measures with relation to this criterion:

2018-2019 PRIORITY ACTIONS	OUTCOME
1. Deliver a marketing Customer Relationship Management system and new consumer facing website to reach out to new audiences and improve visitor's experiences of our sites.	Achieved The marketing Customer Relationship Management system went live in Q4. The new Harbour Trust and Cockatoo Island websites launched in June, providing a refreshed portal to reach new audiences and better showcase the work of the Harbour Trust.
2. Increase our profile by executing the brand and communications strategy and growing publicity through increased media and digital channels.	Achieved New Cockatoo Island and Headland Park brochures and wayfinding were implemented. The Harbour Trust received increased media coverage throughout 2018-2019.
3. Celebrate the 200 th anniversary of Macquarie Lightstation — Australia's first lighthouse and update site interpretation. Achieve National Heritage listing.	Partially achieved A civic event was attended by the Minister for the Environment, Deputy Secretary and State Minister for Environment, Heritage and Local Government. Positive media coverage was received for the event, with the Community Day and Macquarie University partnership well received. A National Heritage listing did not occur in 2018-2019.

2018-19 PRIORITY ACTIONS	OUTCOME
4. Develop new cultural partnerships at Cockatoo Island. Commence restoration works on the early 20 th Century Powerhouse.	Achieved Partnered with Festival of Dangerous Ideas for a 2 day festival at Cockatoo Island. The Powerhouse Restoration works via volunteers are underway. Further works will continue in 2019-2020.
5. Review and develop initiatives to ensure each principal site includes substantive interpretation of Aboriginal and Torres Strait Islander peoples' relationship with those places (RAP initiative).	Partially achieved Acknowledgement of Country installed at principal Harbour Trust sites. New brochures at Headland Park and Cockatoo Island with First Nation interpretation. First Nation consultation for Cockatoo Island to aid in strategy development. Endorsed protocols to working with First Nations business and sold out music event for Reconciliation Week.

Key performance measures (results at 30 June 2019)

PERFORMANCE MEASURE	TARGET	ACTUAL
Number of Visits	1,750,000	1,870,016
Source Data – People and vehicle counters for Cockatoo Island, North Head, Headland Park and Sub Base Platypus		
Visitor Satisfaction	90%	95%
Source Data – Visitor surveys		

Analysis of performance

The Harbour Trust achieved three of the five 2018-2019 Priority Actions (with two partially achieved) set in regards to meeting the Strategic Goals of the Welcome Everyone Performance Criterion. All of the Key Performance Measure targets were exceeded.

Increasing the Harbour Trust's profile was a key focus area throughout 2018-2019. Implementation of new branding guidelines was rolled out early in the period (including templates, business cards, and externally facing collateral) to create and maintain a consistent approach to external communications. Along with this, updated brochure collateral for key sites (including Headland Park and Cockatoo Island) were developed and implemented. Heightened media coverage of the Harbour Trust followed from a number of events occurring (such as the *Macquarie Lightstation Anniversary*, *Festival of Dangerous Ideas* and *SailGP*) as well as from the announcement of capital funding for Sub Base Platypus and Headland Park in the 2019-2020 Australian Federal Government Budget. Consequently, Harbour Trust sites experienced high levels of visitation for the year, exceeding the target set for the year as well as being approximately four percent higher than the prior period. Once at our sites, visitor satisfaction levels were strong, comfortably exceeding the target set and seven percentage points higher than the prior year.

In terms of gaps, we were unsuccessful in our application for National Heritage Listing for Macquarie Lightstation, but will seek to reapply again in 2019-2020. The Harbour Trust's progress towards ensuring each principal site includes substantive First Nations interpretation has been assessed as partially met. The initiatives developed have been a part of the Harbour Trust's current Reconciliation Action Plan (RAP), which is to run over a two year period. We are currently at the half way point of the RAP's implementation, and expect further progress to be made in the coming year.

ANNUAL PERFORMANCE STATEMENTS

Performance criterion: Build Partnerships

Underpin our work through collaboration and engagement with partners to help us deliver our vision. We are responsible for important public places, and we want to encourage dialogue and debate about their future and the choices we make to ensure sustainability.

Criterion source

- Program 1.1, 2018–2019 Portfolio Budget Statements — Environment and Energy Portfolio, p. 273.
- Sydney Harbour Federation Trust Corporate Plan 2018–2022 — Build Partnerships, p. 14.

Results against performance criterion

The Harbour Trust's 2018–2022 Corporate Plan set the following strategic goals to be achieved for this criterion:

STRATEGIC GOALS

1. Work openly with the community and other stakeholders as we plan our work and implement our vision.
2. Extend and build philanthropic and commercial partnerships.
3. Enable public benefit use of our assets through our rental subsidies to better deliver the vision.
4. Support and grow our volunteer activities in the fields of natural and built environment, visitor experience, and administrative support.

In 2018–2019, the Harbour Trust set the following priority actions and performance measures with relation to this criterion:

2018–2019 PRIORITY ACTIONS	OUTCOME
1. Lead and contribute to discussions on cultural heritage and the public domain, sharing stories of our success.	Achieved Contributed to discussions with the Committee for Sydney. The Harbour Trust has also commenced dialogue on the future of Cockatoo Island.
2. Continue to work and strengthen our relationships with the community, consult frequently with our Community Advisory Committee to broaden its membership, support and grow our volunteer network, and engage and partner with our Aboriginal and Torres Strait Islander Advisory Group.	Achieved In 2018–19, the Harbour Trust held seven meetings with our General and Sub Base Platypus CACs. The CAC membership was also refreshed. Two Aboriginal and Torres Strait Islander Advisory Group meetings were held.
3. Create an environment where our tenants are strong advocates for the Harbour Trust's tenancy services and properties.	Achieved A tenant satisfaction survey was undertaken in late 2018. The survey found that 68% of tenants were likely to recommend the Harbour Trust's properties to others. A satisfaction rating of 69% was obtained in regards to the ability of the leasing team to deal with enquiries, explain leasing conditions and ongoing procedures. A satisfaction rating of 64% was achieved concerning the responsiveness of the Harbour Trust to meeting leasing requirements.

2018–2019 PRIORITY ACTIONS

OUTCOME

4. Develop and launch a philanthropy strategy.

Partially achieved

Market research (and peer consultation) on similar organisation's philanthropy programs has been undertaken throughout the year. Further development of the program will be progressed in 2019–2020.

Key performance measures (results at 30 June 2019)

PERFORMANCE MEASURE	TARGET	ACTUAL
Number of volunteer hours	30,500	29,380
Source Data – Volunteer Manager records		
Number of significant, multi-year cultural, environmental and heritage partners	7	6 ^(a)
Source Data – Marketing, Communications and Visitor Experience Records, Property Commercial Leasing		
Value of philanthropic and sponsorship contributions	\$7.5k	\$9.2k
Source Data – Financial records		

Note: (a) Negotiations on a seventh partnership were continuing as at 30 June 2019, however no agreement had been signed

Analysis of performance

The Harbour Trust achieved three of the four 2018–2019 Priority Actions (with the other partially achieved) set in regards to meeting the Strategic Goals of the Build Partnerships Performance Criterion. One of the Key Performance Measure targets was exceeded, with the remaining two not met.

Throughout the course of 2018–2019, the Harbour Trust led and actively participated in discussions on the public domain. Our Executive Director attended a number of key events and contributed to discussions with the Committee for Sydney. In addition to participating in discussions, the Harbour Trust maintained the six existing significant, multi-year partnerships — being with the North Head Sanctuary Foundation, Royal Australian Artillery Historical Company, Australian Wildlife Conservancy, Women's Shelter, *Biennale of Sydney*, and Soldier On — and furthered discussions on a seventh. Whilst the negotiations on the additional partnership had not been finalised at the conclusion of the financial year, the Harbour Trust is confident in achieving a positive outcome.

Volunteers continue to perform a crucial role in the ongoing success of the Harbour Trust. Volunteers complete a diverse variety of functions across the organisation, such as acting as tour guides, transcribing audio recordings, and performing restoration activities. The key performance measure target set for 2018–2019 volunteer hours reflects an ambitious number based upon near full utilisation of available volunteer resources. The number of hours realised for 2018–2019 was under the target set, being influenced by a number of external factors outside of the Harbour Trust's control. For example, as a large proportion of the volunteer force are retired, and the extent to which volunteers take holidays or are generally unavailable can significantly impact the number of volunteer hours recorded in any given year.

Whilst resourcing constraints inhibited our capacity to fully develop and launch a philanthropy strategy in 2018–2019, the value of philanthropic and sponsorship contributions received exceeded the key performance measure target set for the year. Despite not being launched in 2018–2019, the Harbour Trust completed significant work on the philanthropy strategy including analysis on the philanthropy programs of peers, as well as the development of initiatives to be progressed in 2019–2020.

ANNUAL PERFORMANCE STATEMENTS

Performance criterion: A Robust Business

Be an operationally self-sufficient and financially sustainable organisation by generating a stable and mixed revenue stream. Over time, seek to be self-reliant without the need for capital injections.

Criterion source

- Program 1.1, 2018-2019 Portfolio Budget Statements — Environment and Energy Portfolio, p. 273.
- Sydney Harbour Federation Trust Corporate Plan 2018–2022 — A Robust Business, p. 16.

Results against performance criterion

The Harbour Trust's 2018–2022 Corporate Plan set the following strategic goals to be achieved for this criterion:

STRATEGIC GOALS	
1.	Safeguard and grow our residential and commercial leasing revenue by developing commercial strategies for each site and attracting and nurturing quality tenants to help us deliver our vision and service the community.
2.	Develop a sound understanding of the financial challenges facing the Harbour Trust and explore potential solutions.
3.	Implement financially viable events and accommodation strategies.

In 2018–2019, the Harbour Trust set the following priority actions and performance measures with relation to this criterion:

2018–2019 PRIORITY ACTIONS	OUTCOME
1. Work with the Department of the Environment and Energy, to ensure the Harbour Trust continues to deliver on its remit.	Achieved The Harbour Trust received a Budget commitment from the Government for \$21.4 million of capital expenditure over 3 years for further works at Sub Base Platypus and at Headland Park. In addition, the Review of the Harbour Trust was announced.
2. Review and reform, as necessary, the Harbour Trust's approach to commercial lease and subsidy arrangements to ensure best practice and deliver on objectives.	Not achieved This work has been put on hold and will be revisited in 2019–2020.
3. Continue to attract and secure a vibrant tenancy through an appropriate mix of commercial tenants and community partnerships across all our sites. Our focus this year is Sub Base Platypus.	Achieved Current vacancy rate of less than 3% across all leasable stock within our portfolio, against an industry average of circa 6%. Sub Base Platypus continues to garner interest with the Open Market Leasing campaign underway.

2018–2019 PRIORITY ACTIONS

OUTCOME

4. Explore opportunities for appropriate commercial partnerships.

Achieved

In 2018–2019 the Harbour Trust focused on attracting significant and professionally managed partnership opportunities. Some of the major events included: *Sail GP*, *Sunrise Island Conference*, *Jaguar Land Rover Driving Challenge*, *Festival of Dangerous Ideas*, *C2 International*, *Hillsong Summerfest*, and *Rabobank F2F Conference*.

Key performance measures (results at 30 June 2019)

PERFORMANCE MEASURE	TARGET	ACTUAL
Leasing Revenue	\$12.5m	\$12.6m
Source Data – Financial records		
Venue Hire Revenue	\$0.6m	\$0.7m
Source Data – Financial records		
Visitor Accommodation Revenue	\$1.9m	\$1.9m
Source Data – Financial records		

Analysis of performance

The Harbour Trust achieved three of the four 2018–2019 Priority Actions (with the other not achieved) set in regards to meeting the Strategic Goals of the A Robust Business Performance Criterion. All of the three Key Performance Measure targets were met or exceeded.

In collaboration with the Department of the Environment and Energy, the Harbour Trust was able to secure a commitment from the Commonwealth of \$21.4 million as part of the 2019–2020 Budget. The capital allocation has been spread over a period of three years for further works at Sub Base Platypus and Headland Park. It is anticipated that the results of these future projects will assist the Harbour Trust to remain self-sufficient and sustainable.

As part of the Budget, the Commonwealth announced that a Review of the Harbour Trust will be undertaken. It is expected that the Review will assist the Harbour Trust advance on its strategic goal to understand the challenges currently faced, as well as explore potential solutions.

Leasing revenue performance was on target for the year, with revenue slightly ahead of expectations. This performance is in part due to the success of the Harbour Trust in attracting and maintaining a vibrant tenancy with vacancy rates less than 3% across leasable stock. With the commissioning of Sub Base Platypus Stage 1B expected in Q2 2019–2020, leasing revenue is anticipated to grow further in future years.

Venue hire revenue exceeded the target set for 2018–2019. The outperformance was driven by numerous high quality events occurring across Harbour Trust sites, including the *Festival of Dangerous Ideas* and *SailGP* – both of which were new events hosted by the Harbour Trust. Visitor accommodation revenue also came in on expectations.

ANNUAL PERFORMANCE STATEMENTS

Performance criterion: Strengthen Our Capabilities

Be a great organisation to work for and strengthen our ability to achieve our goals.

Criterion source

- Program 1.1, 2018–2019 Portfolio Budget Statements — Environment and Energy Portfolio, p. 273.
- Sydney Harbour Federation Trust Corporate Plan 2018–2022 — Strengthen Our Capabilities, p. 18.

Results against performance criterion

The Harbour Trust's 2018–2022 Corporate Plan set the following strategic goals to be achieved for this criterion:

STRATEGIC GOALS	
1.	Attract and retain an outstanding, diverse workforce and invest in its development.
2.	Shape our organisation to achieve our goals.
3.	Recognising that our sites are a complex mix of natural, heritage and industrial assets, take all appropriate steps to ensure our workplace and parklands are safe for all by mitigating and managing risks.
4.	Ensure the culture of our organisation is focused on visitor and client service, as well as delivering quality and best value outcomes.

In 2018–2019, the Harbour Trust set the following priority actions and performance measures with relation to this criterion:

2018–19 PRIORITY ACTIONS	OUTCOME
1. Continue to support a strong safety culture through leadership and implementing a schedule of staff training to build capacity and knowledge.	Achieved A new Work Health & Safety (WHS) Committee was established in May 2019 and met once before the end of the financial year. WHS Procedure documents were reviewed and updated throughout second half of the year. WHS training occurred in the period, and continues to be rolled out. Incident management training (using scenarios) occurred in May 2019.
2. Build a responsive, agile and customer focused organisation by focusing on leadership development and customer service training.	Achieved Numerous training sessions were held throughout the course of the year, including: Coach the Coach, Leadership Training for EL1 and EL2 staff, as well as Customer Service training.
3. Review and update IT resources to support the implementation of the Corporate Plan.	Achieved A property / leasing Customer Relationship Management system went live in Q4, as well as the launch of the new Harbour Trust and Cockatoo Island websites. An upgrade to the server and storage is underway.

2018–2019 PRIORITY ACTIONS	OUTCOME
4. Conduct a workplace culture and engagement survey to establish a base line and take steps to address gaps.	Achieved A workplace culture and engagement survey was conducted in late 2018. The findings have been used to underpin reform initiatives implemented to address gaps identified by the survey.

Key performance measures (results at 30 June 2019)

PERFORMANCE MEASURE	TARGET	ACTUAL
Average Employment Engagement Score	72%	57%
Source Data – Annual Organisational Culture survey		
% of employees with effective Personal Development Plans linked to Corporate Plan	95%	98%
Source Data – Human Resources Professional Development records		
WHS Incident Rate	18.75	29.14
Source Data – Human Resources Records		

Analysis of performance

The Harbour Trust achieved all four 2018–2019 Priority Actions set in regards to meeting the Strategic Goals of the Strengthen Our Capabilities Performance Criterion. One of the three Key Performance Measure targets were exceeded for the year, with the other two below target.

A major focus for the Harbour Trust in 2018–2019 has been a review and update of the Work Health & Safety (WHS) system. A thorough assessment of the existing WHS procedures and forms was undertaken, with updates made to improve the processes. The new documentation was uploaded to the Harbour Trust's intranet to improve accessibility, with in-depth training held across the organization to ensure awareness of WHS requirements. Whilst the WHS Incident Rate performance measure did not meet the target for the year, part of the cause is due to general increased awareness of WHS reporting requirements, and an improvement in the WHS culture of the organization.

To ensure that our employee's development and training opportunities were aligned with broader Harbour Trust goals and ambitions, a conscious effort was made to line up Personal Development Plans with the objectives of the Corporate Plan. Examples of this approach include an effort to match training opportunities with the needs of the Harbour Trust, with particular attention made in respect to leadership and customer service. The approach proved successful, with 98% of employee Personal Development Plans linked to the Corporate Plan, ahead of the target for the year.

In late 2018, the Harbour Trust completed its first Annual Organisational Culture survey. Pleasingly staff feel proud, feel aligned with the organisation's goals and positively challenged in the work that they do, however the overall employee engagement score was below the target set. In response to the result, the Harbour Trust developed an action plan to improve staff engagement. One such initiative was an organisation-wide forum for staff to put forth input to the Harbour Trust's plans and goals, as well as to discuss how staff engagement could be increased more broadly. The Harbour Trust acknowledges that the process to wholly resolve staff engagement levels will require consistent application over a sustained period.

A note on metrics

Land open to the public

The proportion of our sites (all Harbour Trust land as measured in square metres — excluding water rights around Cockatoo Island) that are accessible by the public. It includes both parkland and the footprints of those buildings open to the public for interpretation, visitor facilities, events or food & beverage operations.

This metric is directly affected by capital invested in making land and buildings safe and accessible for public enjoyment.

Built assets (with the potential to be in active use) in active use

The proportion of built assets with the potential for adaptive reuse that are in active use. Examples of built assets that are not considered to have the potential for adaptive reuse include those classified as infrastructure (e.g. cranes, utility/service housings, and wharves) as well as assets identified for potential removal. Examples of built assets that are considered to be in use or have the potential to be in active use include those leased by tenants and those available for public events and hire including the Turbine Shop on Cockatoo Island.

This metric is dependent on capital investment by us or our partners in re-purposing buildings for appropriate new uses.

Visitor satisfaction with the public domain

An approval score given by visitors to the quality of the parkland, tracks and visitor amenities at Cockatoo Island, Headland Park and North Head Sanctuary, as measured in visitor surveys.

Number of visits

An estimate of the individual number of visits made by visitors to Headland Park, Cockatoo Island, North Head Sanctuary and Sub Base Platypus.

- Cockatoo Island visits are measured by pedestrian counters at the Parramatta, Camber and Marina Wharves.
- Headland Park visits are measured by car park use multiplied by the number of people per car (calculated from the average people per vehicle counted quarterly in fiscal year 2018), vehicle counters, pedestrian counters and estimated people and vehicle counts calculated from quarterly research in fiscal year 2018.
- North Head Sanctuary visits are measured by a combination of NPWS and Harbour Trust vehicle counters, pedestrian counters and estimated people and vehicle counts calculated from quarterly research in fiscal year 2018.
- Sub Base Platypus is measured by pedestrian counters at Kesterton Park and Kiara Close entrances.

Visitor satisfaction

An approval score derived from responses to questions about the overall visitor experience at Cockatoo Island, Headland Park and North Head Sanctuary, as measured in visitor surveys.

Volunteer hours

A count of the aggregate number of hours volunteered to the Harbour Trust and the North Head Sanctuary Foundation.

Significant multi-year cultural, environmental and heritage partners

The number of partnerships that the Harbour Trust enters in to on an ongoing, multi-year basis across our sites.

Philanthropic and sponsorship contributions

The value of monetary contributions made to the Harbour Trust, primarily comprising of donations and sponsorships.

Earned annual revenue

Our self-generated income comprising leasing, venue hire, accommodation, parking, tours and merchandise and bank interest. Project-specific grant funds from government are excluded.

- Leasing Revenue comprises rents received from residential and commercial leases (including contributory partners).
- Venue Hire Revenue comprises licence fees received from the use of land and buildings for events, conferences and filming activity.
- Visitor Accommodation Revenue comprises income from the Cockatoo Island campground and holiday houses.

The Leasing, Venue Hire and Visitor Accommodation revenue streams are closely interconnected. For example, investing in re-purposing unused assets will increase our revenue, but without new capital investment, increasing leasing stock may necessarily require reducing the number venues for hire; hosting a major public event may reduce the availability of venues for hire, but it may increase visitor accommodation revenue; increasing the number of contributory partners may reduce our leasing revenue.

Employee engagement score

An approval score derived from responses to questions about overall staff engagement with the Harbour Trust, as measured by an employee engagement survey conducted by an external company.

Employees with effective personal development plans linked to Corporate Plan

A percentage measuring the proportion of staff that have a Personal Development Plan outlining their specific performance objectives.

WHS incident rate

The WHS Incident Rate for employees is calculated as follows:

$$(\text{Number of Incidents in the Period} \times 100) \div (\text{Average Number of Employees in the Period})$$

For example, if there were 2 WHS incidents and an average of 60 employees in a reporting period, the calculation would be $[(2 \times 100) \div (60)]$, which gives a WHS Incident Rate of 3.33 incidents per 100 employees for the period.

REGULATOR PERFORMANCE FRAMEWORK

The Harbour Trust issues and monitors the permits for the following regulated activities covered by the Regulator Performance Framework:

- Planning Permits for works or activities on Harbour Trust land;
- Liquor Permits for the sale or supply of alcohol on Harbour Trust land; and
- Service Approval Permits for Early Childhood Education Services operating on Harbour Trust land.

Georges Head Lookout, Headland Park.



REPORTING AGAINST KPIS

KPI 1 – Regulators do not unnecessarily impede the efficient operation of regulated entities

HARBOUR TRUST METRICS

- Regular, ongoing review of policies, procedures and requirements, including through consultation and engagement with stakeholders.
- Documented established communication mechanisms with regulated entities, including feedback from existing complaint mechanisms.

RESULTS AT 30 JUNE 2019

- Stakeholder meetings held during the 2018-2019 reporting period:
 - 7 Community Advisory Committee meetings;
 - 9 Cockatoo Island stakeholder meetings
 - 5 North Head stakeholder meetings.
- The Harbour Trust's Complaints Process is published on the organisation's website.

KPI 2 – Communication with regulated entities is clear, targeted and effective

HARBOUR TRUST METRICS

- Demonstrated effective mechanisms for responding to stakeholder engagement/ complaints.
- Estimated timeframes for complaints handling are published, including maximum time for acknowledgement and average time for decisions.
- Decisions are accompanied by a statement of reasons and advice about relevant review or appeal mechanisms, where appropriate.

RESULTS AT 30 JUNE 2019

- The Harbour Trust's complaint handling data logs are maintained, which incorporate the number of complaints received and the response time frames.
- The Complaints Policy and Procedures details the time frames for handling complaints.
- Reasons for determinations on Permit Applications are available to applicants, where appropriate. An external review/appeal mechanism for decisions is in place.

REGULATOR PERFORMANCE FRAMEWORK

KPI 3 – Actions undertaken by regulators are proportionate to the regulatory risk being managed

HARBOUR TRUST METRICS

- Demonstrated engagement with regulated entities to inform them of the regulators' expectations. Risk management plans are provided by regulated entities.

RESULTS AT 30 JUNE 2019

- Planning Permit Application Guidance Notes are available to all applicants on the Harbour Trust website. Applications for 15 new Planning Permits were received during the year reported.
- Liquor Permit applicants are able to access guidance information and relevant requirements on the Harbour Trust's website. 29 Liquor Permits were issued during the year. 16 were for events and 13 were for new tenants or tenant annual renewals.
- Applicants for Service Approval Permits for Early Childhood Education Services are provided all relevant information about meeting and maintaining requirements. No new Service Approval Permits were issued during the year.
- Where requested, all tailored risk management plans have been received.

KPI 4 – Compliance and monitoring approaches are streamlined and co-ordinated

HARBOUR TRUST METRICS

- Demonstrated effort to reduce the number and crossover of information requirements imposed on regulated entities.
- Demonstrated effort to share and receive information among regulators, where appropriate.
- Regular review and assessment of agreed monitoring and compliance strategies, including the use of earned autonomy approaches.

RESULTS AT 30 JUNE 2019

- The Harbour Trust has regard for NSW liquor licensing laws and abides by the Education and Care Services National Regulations which assists in reducing the number and crossover of information requirements.
- The Harbour Trust maintains ongoing relationships with the NSW Government agencies (such as the NSW National Parks & Wildlife Service, Liquor & Gaming NSW, and the NSW Food Authority), as well as neighbouring local councils.
- Monitoring and compliance strategies for regulatory activities are reviewed and assessed to ensure efficient processes are maintained. An earned autonomy approach is evident for monitoring and compliance, in particular with respect to liquor permits.

KPI 5 – Regulators are open and transparent in their dealings with regulated entities

HARBOUR TRUST METRICS

- Responses to requests from regulated entities are provided within specified timeframes.
- Performance information is made publicly available, where appropriate.
- Advice and guidance is widely available to stakeholders, with feedback mechanisms in place to support and inform continuous improvement.

RESULTS AT 30 JUNE 2019

- The Harbour Trust has a documented and published Complaints Policy and Procedures with specified timeframes. During 2018-2019, 42 complaints were received. All complaints were responded to within the required time frame. Of these, two complaints were not resolved within the required time frame.
- The Harbour Trust publishes information and fact sheets on the Planning Permit and Liquor Permit application processes on the organisation's website. Feedback mechanisms are in place via our Complaints Handling Procedures. There are planned, regular inspections for Early Childhood Education Services.

KPI 6 – Regulators actively contribute to the continuous improvement of regulatory frameworks

HARBOUR TRUST METRICS

- Documented procedures are in place to allow active and regular engagement with stakeholders.
- Stakeholder events are held regularly.

RESULTS AT 30 JUNE 2019

- The Harbour Trust carries out surveys as appropriate. Records of stakeholder meetings are maintained.
- Board meetings were held in public twice during 2018-2019.
- Summary of the Notes from the Community Advisory Committee meetings held during the reporting period were published on the Harbour Trust's website.

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INDEPENDENT AUDITOR'S REPORT

To the Minister for the Environment
Opinion

In my opinion, the financial statements of the Sydney Harbour Federation Trust and its consolidated entities (together the 'Consolidated Entity') for the year ended 30 June 2019:

- comply with Australian Accounting Standards – Reduced Disclosure Requirements and the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015*; and
- present fairly the financial position of the Consolidated Entity as at 30 June 2019 and its financial performance and cash flows for the year then ended.

The financial statements of the Consolidated Entity, which I have audited, comprise the following statements as at 30 June 2019 and for the year then ended:

- Statement by Members, Executive Director and Director, Strategy & Operations;
- Statement of Comprehensive Income;
- Statement of Financial Position;
- Statement of Changes in Equity;
- Cash Flow Statement; and
- Notes to the Financial Statements, comprising a summary of significant accounting policies and other explanatory information.

Basis for opinion

I conducted my audit in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Consolidated Entity in accordance with the relevant ethical requirements for financial statement audits conducted by the Auditor-General and his delegates. These include the relevant independence requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the 'Code') to the extent that they

are not in conflict with the *Auditor-General Act 1997*. I have also fulfilled my other responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Accountable Authority's responsibility for the financial statements

As the Accountable Authority of the Consolidated Entity, the Board is responsible under the *Public Governance, Performance and Accountability Act 2013* (the Act) for the preparation and fair presentation of annual financial statements that comply with *Australian Accounting Standards – Reduced Disclosure Requirements* and the rules made under the Act. The Board is also responsible for such internal control as the Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board is responsible for assessing the ability of the Consolidated Entity to continue as a going concern, taking into account whether the entity's operations will cease as a result of an administrative restructure or for any other reason. The Board is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the assessment indicates that it is not appropriate.

Auditor's responsibilities for the audit of the financial statements

My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian National Audit Office Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from

fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with the Australian National Audit Office Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Consolidated Entity's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Accountable Authority;
- conclude on the appropriateness of the Accountable Authority's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Consolidated Entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Consolidated Entity to cease to continue as a going concern; and

- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Consolidated Entity to express an opinion on the financial report. I am responsible for the direction, supervision and performance of the Consolidated Entity audit. I remain solely responsible for my audit opinion.

I communicate with the Accountable Authority regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Australian National Audit Office



Rahul Tejani
Audit Principal
Delegate of the Auditor-General
Canberra
18 September 2019

FINANCIAL STATEMENTS

Sydney Harbour Federation Trust and its Consolidated Entities Statement by Members, Executive Director and Director, Strategy and Operations

In our opinion, the attached financial statements for the year ended 30 June 2019 comply with subsection 42(2) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act), and are based on properly maintained financial records as per subsection 41(2) of the PGPA Act.

In our opinion, at the date of this statement, there are reasonable grounds to believe that the Sydney Harbour Federation Trust will be able to pay its debts as and when they become due and payable.

This Statement is made in accordance with a resolution of the members.

Signed,



Joseph Carrozzi
Chair

17 September 2019

Signed,



Mary Darwell
Executive Director

17 September 2019

Signed,



Justin Bock
Director, Strategy and Operations

17 September 2019

FINANCIAL STATEMENTS

Statement of Comprehensive Income

for the year ended 30 June 2019

	Notes	2019 \$'000	2018 \$'000	ORIGINAL BUDGET \$'000
NET COST OF SERVICES				
Expenses				
Employee benefits	3A	6,846	7,141	6,594
Suppliers	3B	10,047	9,089	9,860
Depreciation and amortisation	3C	2,662	2,587	3,036
Write-down and impairment of assets	3D	-	238	85
Total expenses		19,555	19,055	19,575
LESS:				
OWN-SOURCE INCOME				
Own-source revenue				
Sale of goods and rendering of services	4A	3,315	3,724	3,084
Fees and fines	4B	216	184	360
Interest	4C	1,234	1,311	949
Rental income	4D	13,282	13,255	14,313
Other revenue	4E	182	48	100
Total own-source revenue		18,229	18,522	18,806
Gains				
Sale of assets	4F	24	(2)	-
Reversal of write-down and impairment of assets	4G	94	-	-
Total gains		118	(2)	-
Total own-source income		18,347	18,520	18,806
(Deficit) on continuing operations		(1,208)	(535)	(769)
OTHER COMPREHENSIVE INCOME				
Other comprehensive income		-	-	-
Total comprehensive (loss)		(1,208)	(535)	(769)

The above statement should be read in conjunction with the accompanying notes.

Statement of Financial Position

as at 30 June 2019

	Notes	2019 \$'000	2018 \$'000	ORIGINAL BUDGET \$'000
ASSETS				
Financial Assets				
Cash and cash equivalents	5A	3,236	3,402	201
Investments	5B	39,230	49,216	25,959
Trade and other receivables	5C	797	671	682
Total financial assets		43,263	53,289	26,842
Non-Financial Assets				
Land and buildings	6A	286,273	276,261	296,533
Infrastructure, plant and equipment	6B	31,617	32,207	35,097
Heritage and collections	6C	29,405	29,544	30,419
Intangibles	6D	436	277	502
Inventories	6G	90	100	124
Other non-financial assets	6H	77	100	231
Total non-financial assets		347,898	338,489	362,906
Total Assets		391,161	391,778	389,748
LIABILITIES				
Payables				
Suppliers	7A	2,192	1,106	855
Other payables	7B	5,296	5,747	5,325
Total payables		7,488	6,853	6,180
Provisions				
Employee provisions	8A	1,178	1,204	1,366
Other provisions	9	579	597	-
Total provisions		1,757	1,801	1,366
Total Liabilities		9,245	8,654	7,546
Net Assets		381,916	383,124	382,202
EQUITY				
Contributed equity		277,735	277,735	277,735
Reserves		95,503	95,503	98,421
Retained surplus		8,678	9,886	6,046
Total Equity		381,916	383,124	382,202

The above statement should be read in conjunction with the accompanying notes.

Statement of Changes in Equity

for the year ended 30 June 2019

	RETAINED SURPLUS		ASSET RENEWAL RESERVE		ASSET REVALUATION RESERVE		CONTRIBUTED EQUITY		TOTAL EQUITY	
	2019	BUDGET	2019	BUDGET	2019	BUDGET	2019	BUDGET	2019	BUDGET
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance	9,886	6,815	5,331	8,249	90,172	90,172	277,735	277,735	383,124	382,971
Balance carried forward from previous year										
Asset Renewal Reserve										
Transfer to Retained Surplus	-	2,918	-	(2,918)	-	-	-	-	-	-
Transfer (from) Retained Surplus	-	-	-	-	-	-	-	-	-	-
Total asset renewal reserve	-	2,918	-	(2,918)	-	-	-	-	-	-
Comprehensive income										
Other comprehensive income (Deficit)/Surplus for the year	(1,208)	(769)	-	-	-	-	-	-	(1,208)	(769)
Total comprehensive income	(1,208)	(769)	-	-	-	-	-	-	(1,208)	(769)
Transactions with owners										
Equity injection - Appropriations	-	-	-	-	-	-	-	-	-	-
Total transactions with owners	-	-	-	-	-	-	-	-	-	-
Closing balance as at 30 June	8,678	6,046	5,331	8,249	90,172	90,172	277,735	277,735	383,124	382,202

The above statement should be read in conjunction with the accompanying notes.

Accounting Policy

Amounts appropriated which are designated as equity injections for a year (less any formal reductions) are recognised directly in contributed equity in that year. Asset Renewal Reserve — see Note 6E Accounting Policy for Non-Financial Assets.

Cash Flow Statement

for the year ended 30 June 2019

	Notes	2019 \$'000	2018 \$'000	ORIGINAL BUDGET \$'000
OPERATING ACTIVITIES				
Cash received				
Sales of goods and rendering of services		3,300	4,125	3,561
Rent income		13,033	15,844	13,400
Interest		49	42	949
Other revenue		288	147	460
Net GST received		387	-	-
Total cash received		17,057	20,158	18,370
Cash used				
Employees benefits		(7,104)	(7,322)	(6,694)
Suppliers		(9,230)	(10,406)	(10,171)
Net GST paid		-	(84)	-
Total cash used		(16,334)	(17,812)	(16,865)
Net cash from/(used by) operating activities	10	723	2,346	1,505
INVESTING ACTIVITIES				
Cash received				
Proceeds from disposal of assets		24	(2)	-
Investments		11,171	8,453	13,800
Total cash received		11,195	8,451	13,800
Cash used				
Investments		-	-	-
Purchase of property, plant and equipment		(12,084)	(7,643)	(15,276)
Total cash used		(12,084)	(7,643)	(15,276)
Net cash from/(used in) investing activities		(889)	808	(1,476)
FINANCING ACTIVITIES				
Cash received				
Contributed equity		-	-	-
Total cash received		-	-	-
Net cash from/(used by) financing activities		-	-	-
Net increase/(decrease) in cash held				
Cash and cash equivalents at the beginning of the reporting period		(166)	3,154	29
Cash and cash equivalents at the end of the reporting period	5A	3,236	3,402	201

The above statement should be read in conjunction with the accompanying notes.

Overview

Note 1: Summary of Significant Accounting Policies

1.1 Objectives of Sydney Harbour Federation Trust (the 'Harbour Trust')

The Harbour Trust is an Australian Government Corporate Entity.

The Harbour Trust is structured to meet one outcome:

Outcome 1: Enhanced appreciation and understanding of the natural and cultural values of Sydney for all visitors, through the remediation, conservation and adaptive re-use of, and access to, Harbour Trust lands on Sydney Harbour.

Section 66 of the SHFT Act provides for the repeal of the Harbour Trust's enabling legislation as soon as practicable after the end of 19 September 2033. The continued existence of the Harbour Trust in its present form and with its present programs is dependent on Government policy.

1.2 Basis of Preparation of the Financial Statements

The financial statements are required by section 42 of the *Public Governance, Performance and Accountability Act 2013* and are General Purpose Financial Statements.

The financial statements have been prepared in accordance with:

a) *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015* (FRR); and

b) Australian Accounting Standards and Interpretations, Reduced Disclosure Requirements issued by the Australian Accounting Standards Board ('AASB') that apply for the reporting period.

The financial statements have been prepared on an accrual basis and in accordance with the historical cost convention, except for certain assets and liabilities at fair value. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position.

The financial statements are presented in Australian dollars and values are rounded to the nearest thousand dollars unless otherwise specified.

Unless an alternative treatment is specifically required by an Accounting Standard or the FRR, assets and liabilities are recognised in the Statement of Financial Position when and only when it is probable that future economic benefits will flow to the Harbour Trust or a future sacrifice of economic benefits will be required and the amounts of the assets or liabilities can be reliably measured. However, assets and liabilities arising under executory contracts are not recognised unless required by an Accounting Standard.

Liabilities and assets that are unrecognised are reported in the schedule of commitments or the schedule of contingencies.

Unless alternative treatment is specifically required by an accounting standard, income and expenses are recognised in the statement of comprehensive income when, and only when, the flow, consumption or loss of economic benefits has occurred and can be reliably measured.

Consolidation and associated company

The financial statements show information for the economic entity only; this reflects the consolidated results for the parent entity, the Harbour Trust, and its controlled entities,

Sydney Harbour Conservancy Ltd and Sydney Harbour Conservancy ('Conservancy'). The results of the parent entity do not differ materially from the economic entity and have therefore not been separately disclosed. The Conservancy is a Trust for which the Sydney Harbour Conservancy Ltd (company limited by guarantee) is Trustee (refer to Note 14 & Note 15 for further details).

The accounting policies of the Sydney Harbour Conservancy Ltd and Conservancy are consistent with those of the Harbour Trust and its assets, liabilities and results have been consolidated with the parent entity accounts in accordance with the Accounting Standards. All internal transactions and balances have been eliminated on consolidation.

1.3 New Accounting Standards

Adoption of new Australian Accounting Standard requirements

No accounting standard has been adopted earlier than the application date as stated in the standard.

AASB 9 Financial Instruments (issued December 2014)

The AASB has reissued AASB 9. The standard now incorporates a new model for the classification and measurement of financial assets and liabilities, provides new rules for hedge accounting and prescribes new principles on the impairment of financial assets.

AASB 1058 Income of Not-for-Profit Entities

AASB 1058 applies when a NFP entity (AASB 1058.1):

- enters into a 'donation' transaction (i.e. where the consideration to acquire an asset is significantly less than fair value) principally to enable the entity to further its objectives; or
- receives volunteer services

This standard is effective from 1 July 2019. The Harbour Trust has not adopted this standard earlier than the application date, however the Harbour Trust has calculated volunteer services for 2019. This amount is based on total hours provided by volunteers to the Harbour Trust and multiplied by the cost the Harbour Trust would incur if they were to procure those services on the open market. This totals \$972,000 for 2019.

AASB 16 Leases

AASB 16 is a new standard that introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligations to make lease payments. AASB 16 will not have a material effect on the entity's financial statements.

1.4 Significant Accounting Judgements and Estimates

In the process of applying the accounting policies listed in this note, the Harbour Trust has made the following judgements that have the most significant impact on the amounts recorded in the financial statements:

- The fair value of land has been taken to be the market value of similar properties as determined by an independent valuer taking into consideration the restrictions on sale and use imposed by the SHFT Act. Buildings have been valued using depreciated replacement cost and therefore the valuer has provided an estimate with respect to the replacement cost.

FINANCIAL STATEMENTS

- A provision for decontamination works at Sub Base Platypus has been reflected in the Harbour Trust's Statement of Financial Position. The value of the provision in the Statement of Financial Position is based on funds provided by the Department of Defence to complete the works. At the time of these statements all works associated with the remediation and decontamination have been completed. The residual balance is to be finalised with the Department of Defence.
- The provision held for trade and other receivables is based on overdue receivables greater than 90 days where an arrears agreement has not been finalised or where it has been assessed that the debt is unlikely to be recovered.

No accounting assumptions or estimates have been identified that have a significant risk of causing a material adjustment to carrying amounts of assets and liabilities within the next reporting period.

1.5 Taxation

The Harbour Trust is exempt from all forms of taxation except Fringe Benefits Tax ('FBT') and Goods and Services Tax ('GST').

Revenues, expenses and assets are recognised net of GST:

- except where the amount of GST incurred is not recoverable from the Australian Taxation Office; and
- except for receivables and payables.

1.6 Major Budget Variances

The Original Budget figures were reported in the 2018-19 Portfolio Budget Statements published in May 2018. This was subsequently updated during the financial year with the Minister of Finance's approval. This allowed for an approved operating loss. The Harbour Trust considers major variance between budget and actuals is greater than 10% of the original estimate or it is considered important for the reader's understanding.

EXPLANATIONS OF MAJOR VARIANCES	AFFECTED LINE ITEMS (AND STATEMENT)
Delays in Sub Base Platypus practical completion of the construction project has resulted in lower draw down of cash and lower investment in physical assets, meaning a range of actuals were lower than budgeted figures as shown in the affected line items.	Rental Income (Statement of Comprehensive Income) Depreciation & Amortisation (Statement of Comprehensive Income) Land and buildings (Statement of Financial Position) Infrastructure, plant and equipment (Statement of Financial Position) Operating Activities (Cash Flow Statement)
Delays in Sub Base Platypus practical completion of the construction project has resulted in lower draw down of cash and lower investment in physical assets, meaning a range of actuals were higher than budgeted figures as shown in the affected line items.	Interest (Statement of Comprehensive Income) Investments (Statement of Financial Position) Investing Activities (Cash Flow Statement)
Staff related adjustments were driven by a range of factors including unbudgeted FTE, maternity leave cover, redundancy and the impact of bond rates on leave provisions.	Employee benefits (Statement of Comprehensive Income) Employees benefits (Cash Flow Statement)
Higher supplier expense due to unplanned crane remediation works and other unbudgeted maintenance.	Payables - Suppliers (Statement of Financial Position) Suppliers (Statement of Comprehensive Income)

Note 2: Events After the Reporting Period

There are no events that have occurred after the reporting period that would have an effect on the Harbour Trust's 2018-19 financial statements other than those that are already reflected in the financial statements.

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Financial Performance

Note 3: Expenses

Note 3A: Employee benefits

	2019 \$'000	2018 \$'000
Wages and salaries	6,034	5,868
Superannuation	635	645
Leave and other entitlements	118	206
Separation and redundancies	50	410
Other employee costs	9	12
Total employee benefits	6,846	7,141

Accounting Policy

Accounting policies for employee related expenses is contained in the People & Relationships section (Note 8).

Note 3B: Suppliers

Goods and services supplied or rendered

	2019 \$'000	2018 \$'000
Corporate overheads	1,728	1,612
Marketing, Programming and Events	686	952
Management of Environment	1,193	1,202
Site Maintenance and Planning	4,407	2,850
Security	778	856
Accommodation management	590	802
Property management	544	727
Total goods and services supplied or rendered	9,926	9,001

Goods supplied	636	589
Services rendered	9,290	8,412
Total goods and services supplied or rendered	9,926	9,001

Other supplier expenses

Workers compensation premiums	121	88
Total other supplier expenses	121	88
Total supplier expenses	10,047	9,089

During the year ended 30 June 2019, the Harbour Trust has provided resources free of charge to the Sydney Harbour Conservancy Limited amounting to \$6,706 (2018: \$6,524), and to the Conservancy amounting to nil (2018: nil).

Leasing commitments

The Harbour Trust in its capacity as lessee of the Paired Piers at Woolwich Dock has entered into a lease agreement with Roads & Maritime Services NSW ("lessor"). The commencement date of the lease agreement was 1 February 2006 and its terminating date is 31 January 2031. The Harbour Trust pays rent to the lessor in advance annually. There is no option to purchase nor an option to renew.

Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:

	2019 \$'000	2018 \$'000
Within 1 year	28	27
Between 1 to 5 years	114	113
More than 5 years	211	240
Total operating lease commitments	353	380

Note 3: Expenses — Continued

Accounting policy

Operating lease payments are expensed on a straight line basis which is representative of the pattern of benefits derived from the leased assets.

Note 3C: Depreciation and amortisation

Depreciation:

Infrastructure, plant and equipment	1,261	1,206
Buildings	1,351	1,332
Total depreciation	2,612	2,538

Amortisation:

Intangibles:		
Purchased computer software	50	49
Total amortisation	50	49
Total depreciation and amortisation	2,662	2,587

Note 3D: Write-down and impairment of assets

Asset Write-downs from

Impairment on financial assets	-	117
Write-down of obsolete stock	-	121
Total write-down and impairment of assets	-	238

The financial asset write-down is in relation to the impairment allowance associated with the Harbour Trust's trade debtors.

Accounting policy

Impairment of assets

Financial and non-financial assets are assessed for impairment at the end of each reporting period.

Leases

A distinction is made between finance leases and operating leases. Finance leases effectively transfer from the lessor to the lessee substantially all the risks and rewards incidental to ownership of leased assets. An operating lease is a lease that is not a finance lease. In operating leases, the lessor effectively retains substantially all such risks and benefits.

The Harbour Trust has no finance leases, and operating lease payments are expensed on a straight line basis which is representative of the pattern of benefits derived from the leased assets.

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Note 4: Own-Source Income

Own-Source Revenue

Note 4A: Sale of goods and rendering of services

Provision of goods	48	37
Rendering of services	3,267	3,687
Total sale of goods and rendering of services	3,315	3,724

Note 4B: Fees and fines

Penalty Infringement Notices	216	184
Total fees and fines	216	184

Note 4C: Interest

Term Deposits	1,186	1,266
Operating bank accounts	48	45
Total interest	1,234	1,311

Note 4D: Rental income

Property rentals and short-term hire	13,282	13,255
Total rental income	13,282	13,255

Note 4E: Other revenue

DA Fees, Liquor Licences, Donations	182	48
Total other revenue	182	48

Note 4F: Sale of assets

Infrastructure, plant and equipment		
Proceeds from sale	24	(2)
Total sale of assets	24	(2)

Note 4G: Reversal of write-down and impairment of assets

Reversal of impairment losses	94	-
Total reversal of write-down and impairment of assets	94	-

Accounting policy

Revenue

Revenue from the sale of goods is recognised when:

- The risks and rewards of ownership have been transferred to the buyer;
- The authority retains no managerial involvement or effective control over the goods;
- The revenue and transaction costs incurred can be reliably measured; and
- It is probable that the economic benefits associated with the transaction will flow to the Harbour Trust.

Revenue from rendering of services is recognised by reference to the stage of completion of contracts at the reporting date.

The revenue is recognised when:

- The amount of revenue, stage of completion and transaction costs incurred can be reliably measured; and
- The probable economic benefits associated with the transaction will flow to the Harbour Trust.

The stage of completion of contracts at the reporting date is determined by reference to the proportion that costs incurred to date bear to the estimated total costs of the transaction.

Receivables for goods and services, which have 30 day terms, are recognised at the nominal amounts due less any impairment allowance account. Collectability of debts is reviewed at the end of the reporting period. Allowances are made when collectability of the debt is no longer probable.

Fees & Fines include infringement penalties issued under the SHFT Act.

Public Governance, Performance and Accountability (Charging for Regulatory Activities) Order 2017 - Section 6 Definition: approved regulatory charging activity means an activity provided by a corporate Commonwealth entity:

- (a) that has Australian Government policy approval; and
- (b) for which there is statutory authority to charge.

To satisfy the requirements of the *Public Governance, Performance and Accountability (Charging for Regulatory Activities) Order 2017* - Section 7 (d) measure, assess and document financial and non-financial performance of the regulatory activity, the Harbour Trust has incurred expenses of \$6,826 (2018: \$9,651) pertaining to this approved regulatory charging activity.

Note 4: Own-Source Income — Continued

Interest revenue is recognised using the effective interest method as set out in AASB 9 *Financial Instruments*.

Rental revenue for operating leases is recognised on a straight line basis over the term of the lease, except when an alternative basis is more representative of the pattern of service rendered through the provision of the leased premises. Lease incentives offered under operating leases are amortised on a straight line basis in the profit or loss over the life of the lease.

A government grant is not recognised until there is reasonable assurance that the entity will comply with the conditions attaching to it, and that grant will be received. Government grants are rarely gratuitous. The entity earns them through compliance with their conditions and meeting the envisaged obligations.

Government grants shall be recognised in the Statement of Comprehensive Income on a systematic basis over the periods in which the entity recognises as expenses the related costs for which the grants are intended to compensate.

Gains

Sale of assets

Gains from disposal of non-current assets are recognised when control of the asset has passed to the buyer.

Financial Position

Note 5: Financial Assets

Note 5A: Cash and cash equivalents

Cash at bank	3,235	3,401
Cash on hand	1	1
Total cash	3,236	3,402

Note 5B: Investments

Term Deposits	39,230	49,216
Total investments	39,230	49,216

Cash at bank and investments include funding held for the decontamination of Sub Base Platypus (\$0.497 million), Stage 1 Refurbishment Sub Base Platypus (\$6.196 million), reserves from the sale of Markham Close properties (\$23 million), as well as the Harbour Trust's ongoing capital works and capital renewal.

The \$39.230 million is in short term deposits readily convertible to cash.

Accounting policy

Cash and cash equivalents include cash on hand and demand deposits in bank accounts with an original maturity of 3 months or less that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value. Cash is recognised at its nominal amount.

Financial assets

The Harbour Trust classifies its financial assets at amortised cost.

The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. Financial assets are recognised and derecognised upon 'trade date'.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial asset, or, where appropriate, a shorter period.

Income from investments is recognised on an effective interest rate basis.

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Note 5: Financial Assets — Continued

Note 5C: Trade and other receivables

Goods and Services

Goods and services

Total receivables for goods and services

Other receivables

Interest receivable

Other receivables

Total other receivables

Total trade and other receivables (gross)

Less impairment allowance account:

Goods and services

Fees and fines

Total trade and other receivables (net)

Accounting policy

Loans and receivables

Trade receivables, loans and other receivables that are held for the purpose of collecting the contractual cash flows where cash flows are solely payments of principal and interest, that are not provided at below-market interest rates, are subsequently measured at amortised cost using the effective interest method adjusted for any loss allowance. The Harbour Trust has no loans. Interest is recognised by applying the effective interest rate.

All receivables are expected to be recovered in no more than 12 months.

	2019 \$'000	2018 \$'000
Total receivables for goods and services	630	680
Total other receivables	532	432
Total trade and other receivables (gross)	1,162	1,112
Less impairment allowance account:		
Goods and services	(317)	(407)
Fees and fines	(48)	(34)
	(365)	(441)
Total trade and other receivables (net)	797	671

Trade and other receivables (gross) are aged as follows:

Not overdue

Overdue by:

Less than 30 days

31 to 60 days

61 to 90 days

More than 90 days

Total trade and other receivables (gross)

The impairment allowance account is aged as follows:

Not overdue

Overdue by:

Less than 30 days

31 to 60 days

61 to 90 days

More than 90 days

Total impairment allowance account

Receivables for Goods & Services

Credit terms are net 30 days (2018: 30 days).

	2019 \$'000	2018 \$'000
Not overdue	442	376
Overdue by:		
Less than 30 days	294	246
31 to 60 days	9	49
61 to 90 days	52	-
More than 90 days	365	441
Total trade and other receivables (gross)	1,162	1,112
The impairment allowance account is aged as follows:		
Not overdue	-	-
Overdue by:		
Less than 30 days	-	-
31 to 60 days	-	-
61 to 90 days	-	-
More than 90 days	(365)	(441)
Total impairment allowance account	(365)	(441)

Note 5: Financial Assets — Continued

Reconciliation of the Impairment allowance account:

Movements in relation to 2019

	Goods and services \$'000	Other receivables \$'000	Total \$'000
Opening balance	(407)	(34)	(441)
Decrease/(Increase) recognised in net deficit	90	(14)	76
Closing balance	(317)	(48)	(365)

Movements in relation to 2018

	Goods and services \$'000	Other receivables \$'000	Total \$'000
Opening balance	(362)	(177)	(539)
Decrease/(Increase) recognised in net deficit	(45)	143	98
Closing balance	(407)	(34)	(441)

Accounting policy

Impairment of financial assets

Financial assets are assessed for impairment at each reporting period.

Financial assets held at amortised cost

If there is objective evidence that an impairment loss has been incurred for loans and receivables or held to maturity investments held at amortised cost, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate. The carrying amount is reduced by way of an allowance account. The loss is recognised in the Statement of Comprehensive Income.

Note 6: Non-Financial Assets

Note 6A: Land and buildings

Freehold land

- at fair value

Total freehold land

Buildings on freehold land:

- at fair value

- accumulated depreciation

Total buildings on freehold land

Total land and buildings

The Harbour Trust has completed the majority of decontamination works to its current sites. The cost of the remaining decontamination and remediation works has been taken into account in arriving at the fair values.

No land or buildings are expected to be sold or disposed of within the next 12 months.

Note 6B: Infrastructure, plant and equipment

Infrastructure, plant and equipment:

- at fair value

- accumulated depreciation

Total infrastructure, plant and equipment

No indicators of impairment were found for infrastructure, plant and equipment. No infrastructure, plant and equipment is expected to be sold or disposed of within the next 12 months.

	2019 \$'000	2018 \$'000
Freehold land		
- at fair value	198,885	198,765
Total freehold land	198,885	198,765
Buildings on freehold land:		
- at fair value	92,691	81,448
- accumulated depreciation	(5,303)	(3,952)
Total buildings on freehold land	87,388	77,496
Total land and buildings	286,273	276,261

	2019 \$'000	2018 \$'000
Infrastructure, plant and equipment:		
- at fair value	38,717	38,046
- accumulated depreciation	(7,100)	(5,839)
Total infrastructure, plant and equipment	31,617	32,207

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Note 6: Non-Financial Assets — Continued

	2019 \$'000	2018 \$'000
Note 6C: Heritage and collections		
Heritage assets:		
- at fair value	29,405	29,544
Total heritage and collections	29,405	29,544

No heritage assets or collections are expected to be sold or disposed of within the next 12 months.

Valuations were conducted by an independent valuer (Jones Lang LaSalle) in 2015. Jones Lang LaSalle was asked to review open space land sales at 30 June 2016 and provided a letter of comfort to the Harbour Trust indicating that there had been no open space land sales since their last valuation and it was their opinion that it is unlikely that there have been any material changes in value of the Open Space Land adopted in their valuation report dated 30 June 2015.

Management undertook an internal desktop valuation in 2019 for buildings and infrastructure which indicated that there were no material movements in depreciated replacement value of assets.

The Lightkeeper's and Deputy Lightkeeper's cottages at Macquarie Lightstation have not been included in the valuation of buildings as they are assigned to private individuals on 125 year lease terms.

All revaluations were conducted in accordance with the revaluation policy stated at Note 6E.

	2019 \$'000	2018 \$'000
Note 6D: Intangibles		
Computer software at cost:		
Purchased – in use	911	702
Accumulated amortisation	(475)	(425)
Total computer software	436	277
Total intangibles	436	277

No intangibles are expected to be sold or disposed of within the next 12 months. No indicators of impairment were found for intangible assets.

Note 6: Non-Financial Assets — Continued

Note 6E: Analysis of infrastructure, plant, equipment and intangibles

TABLE A – Reconciliation of the opening and closing balances of infrastructure, plant, equipment and intangibles (2018-19)

	Land \$'000	Buildings on Freehold Land \$'000	Total Land & Buildings \$'000	Infrastructure, Plant & Equipment \$'000	Heritage & Collections \$'000	Intangibles \$'000	Total \$'000
As at 1 July 2018							
Gross book value	198,765	81,448	280,213	38,046	29,544	702	348,505
Accumulated depreciation/ amortisation	-	(3,952)	(3,952)	(5,839)	-	(425)	(10,216)
Total as at 1 July 2018	198,765	77,496	276,261	32,207	29,544	277	338,289
Additions:							
by purchase	120	11,243	11,363	671	-	209	12,243
Reclassification	-	-	-	-	(139)	-	(139)
Depreciation/ amortisation expense	-	(1,351)	(1,351)	(1,261)	-	(50)	(2,662)
Disposals/ write-down	-	-	-	-	-	-	-
Total as at 30 June 2019	198,885	87,388	286,273	31,617	29,405	436	347,731
Total as at 30 June 2019 represented by:							
Gross book value	198,885	92,691	291,576	38,717	29,405	911	360,609
Accumulated depreciation/ amortisation	-	(5,303)	(5,303)	(7,100)	-	(475)	(12,878)
	198,885	87,388	286,273	31,617	29,405	436	347,731

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Note 6: Non-Financial Assets — Continued

Note 6E: Analysis of infrastructure, plant, equipment and intangibles — continued

TABLE A – Reconciliation of the opening and closing balances of infrastructure, plant, equipment and intangibles (2017-18)

	Land \$'000	Buildings on Freehold Land \$'000	Total Land & Buildings \$'000	Infrastructure, Plant & Equipment \$'000	Heritage & Collections \$'000	Intangibles \$'000	Total \$'000
As at 1 July 2017							
Gross book value	197,985	80,489	278,474	34,424	27,759	653	341,310
Accumulated depreciation/ amortisation	-	(2,620)	(2,620)	(4,678)	-	(376)	(7,674)
Total as at 1 July 2017	197,985	77,869	275,854	29,746	27,759	277	333,636
Additions:							
by purchase	780	959	1,739	3,669	1,785	49	7,242
Depreciation/ amortisation expense	-	(1,332)	(1,332)	(1,206)	-	(49)	(2,587)
Disposals/ write-down	-	-	-	(2)	-	-	(2)
Total as at 30 June 2018	198,765	77,496	276,261	32,207	29,544	277	338,289
Total as at 30 June 2018 represented by:							
Gross book value	198,765	81,448	280,213	38,093	29,544	702	348,552
Accumulated depreciation/ amortisation	-	(3,952)	(3,952)	(5,886)	-	(425)	(10,263)
	198,765	77,496	276,261	32,207	29,544	277	338,289

Accounting policy

Acquisition of assets

Assets are recorded at cost on acquisition except as stated below. The cost of acquisition includes the fair value of assets transferred in exchange and liabilities undertaken. Financial assets are initially measured at their fair value plus transaction costs where appropriate.

Assets acquired at no cost, or for nominal consideration, are initially recognised as assets and income at their fair value at the date of acquisition, unless acquired as a consequence of restructuring of administrative arrangements. In the latter case, assets are initially recognised as contributions by owners at the amounts at which they were recognised in the transferor authority's accounts immediately prior to the restructuring.

Property, plant and equipment

Asset recognition threshold

Purchases of infrastructure, plant and equipment are recognised initially at cost in the Statement of Financial Position, except for purchases costing less than \$2,000, which are expensed in the year of acquisition other than where they form part of a group of similar items which are significant in total.

Fair value and revaluations

Fair value for each class of asset equals the total of the most recent revalued amounts and capital expenditure at cost subsequent to the last valuation.

Fair values of each class of asset are determined as shown below:

Asset Class	Fair value measured at
Land	Market appraisal
Buildings exc Leasehold improvements	Depreciated replacement cost
Leasehold improvements	Depreciated replacement cost
Infrastructure, plant and equipment	Depreciated replacement cost
Heritage and cultural assets	Market appraisal

Following initial recognition at cost, infrastructure, plant and equipment are carried at fair value less accumulated depreciation and accumulated impairment losses. Valuations are conducted with sufficient frequency to ensure that the carrying amounts of assets do not differ materially from the assets' fair values as at the reporting date. The Harbour Trust Board resolved that a full independent valuation would be completed every 5 years due to the infrequent market sales of open space lands.

Revaluation adjustments are made on a class basis. Any revaluation increment is credited to equity under the heading of asset revaluation reserve except to the extent that it reverses a previous revaluation decrement of the same asset class that was previously recognised in the surplus/deficit. Revaluation decrements for a class of assets are recognised directly in the surplus/deficit except

to the extent that they reverse a previous revaluation increment for that class. Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the asset restated to the revalued amount.

AASB 13 Fair value measurement

Fair value is a market-based measurement, not an entity specific measurement. For some assets and liabilities, observable market transactions or market information might be available. For other assets and liabilities, observable market transactions and market information might not be available. However, the objective of a fair value measurement is to estimate the price at which an orderly transaction to sell the asset or to transfer the liability would take place between market participants at the measurement date under current market conditions.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (ie. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. (See Note 6F).

AASB 13 applies when another accounting standard requires or permits fair value measurements or disclosures about fair value measurements.

Depreciation

Depreciable infrastructure, plant and equipment assets are written-off to their estimated residual values over their estimated useful lives to the Harbour Trust using, in all cases, the straight-line method of depreciation.

Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate.

Depreciation rates applying to each class of depreciable asset are based on the following useful lives:

	2019	2018
Buildings on freehold land	10 to 125 years	10 to 125 years
Infrastructure	5 to 50 years	5 to 50 years
Plant and equipment	3 to 20 years	3 to 20 years

The aggregate amount of depreciation allocated for each class of asset during the reporting period is disclosed in Note 3C.

FINANCIAL STATEMENTS

Note 6: Non-Financial Assets — Continued

Accounting policy — continued

Impairment

All assets were assessed for impairment at 30 June 2019. Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows, and the asset would be replaced if the Harbour Trust were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

Derecognition

An item of infrastructure, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Heritage and cultural assets

The Harbour Trust owns and manages buildings, monuments and structures that have significant heritage and cultural value (with an aggregated fair value of \$29.405m (2018: \$29.544m)). The Harbour Trust has classified them as heritage and cultural assets as they were primarily used for purposes that relate to their cultural significance. The Harbour Trust has adopted appropriate curatorial and preservation policies for these heritage assets and the items are deemed to have indefinite useful lives and hence are not depreciated. The Harbour Trust's curatorial and preservation policies are publicly available within the Harbour Trust's Management Plans at www.harbourtrust.gov.au/en/corporate/planning.

Asset renewal reserve

The Harbour Trust established an asset renewal reserve in 2012-13 to set aside funds for the future asset renewal of its significant asset base. Prior to 2017-18, the asset renewal reserve was being supplemented at the end of each financial year by an amount equivalent to the minimum 100% of the annual depreciation expense, subject to a review of the asset renewal plans. In 2017-18 the reserve funds were drawn down to fund \$2.918 million of major capital renewal works. However, in this current 2018-19 financial year, there has been no transfer from the Harbour Trust's accumulated results to a general equity reserve, due to the Harbour Trust Board approved deficit result and the budgeted deficit for the 2019-20 financial year. These deficits were approved by the Minister for Finance.

Intangibles

The Harbour Trust's intangibles comprise software purchased externally for internal use. These assets are carried at cost less accumulated amortisation and impairment losses.

Software is amortised on a straight-line basis over its anticipated useful life. The useful lives of the Harbour Trust's software is 3 to 7 years (2017-18: 3 to 7 years).

All software assets were assessed for indications of impairment as at 30 June 2019.

Note 6F: Fair value measurements, valuation techniques and inputs used

The following table provides an analysis of assets that are measured at fair value.

The different levels of the fair value hierarchy are defined below.

- Level 1: Quoted prices (unadjusted) in active markets for identical assets that the entity can access at measurement date.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly.
- Level 3: Unobservable inputs for the asset.

Fair value measurements	Measurements		Fair Value Level
	2019 \$'000	2018 \$'000	
Non-financial assets			
Land	198,885	198,765	LEVEL 3
Buildings	87,388	77,496	LEVEL 3
Infrastructure, plant and equipment	31,617	32,207	LEVEL 3
Heritage and collections	29,405	29,544	LEVEL 3
Total non-financial assets	347,295	338,012	

Note 6: Non-Financial Assets — Continued

Note 6G: Inventories

Finished goods at cost

Total inventories

2019 \$'000	2018 \$'000
90	100
90	100

During the 2019 year no inventory held for distribution was recognised as an expense (2018: \$20,777). Expensing of inventory was higher in 2018 as inventory stock was donated to school libraries as well as adjustments to the number of visitor guides held.

Accounting Policy

Inventories held for sale are valued at the lower of cost and net realisable value and consist of externally produced clothing, merchandise and publications.

Inventories acquired at no cost or nominal consideration are initially measured at current replacement cost at the date of acquisition.

Note 6H: Other non-financial assets

Lease incentives

Prepayments

Total other non-financial assets

2019 \$'000	2018 \$'000
52	84
25	16
77	100

Other non-financial assets expected to be settled:

No more than 12 months

More than 12 months

Total other non-financial assets

49	46
28	54
77	100

Note 7: Payables

Note 7A: Suppliers

Trade creditors

Contract retentions

Total suppliers

2019 \$'000	2018 \$'000
2,166	1,006
26	100
2,192	1,106

Supplier payables expected to be settled:

No more than 12 months

More than 12 months

Total supplier payables

2,192	1,106
-	-
2,192	1,106

Settlement is usually made within 30 days.

Note 7B: Other payables

Salaries and wages

Accrued expenses/suppliers

Bonds and security deposits

Grants

Unearned revenue

Total other payables

55	103
504	485
1,371	1,270
112	70
3,254	3,819
5,296	5,747

The Harbour Trust also holds 48 bank guarantees (2018: 48) as security for tenants on long term leases. The total value of those bank guarantees is \$2.128 million (2018: \$2.110 million).

FINANCIAL STATEMENTS

Note 7: Payables — Continued

	2019 \$'000	2018 \$'000
Other payables expected to be settled:		
No more than 12 months	2,951	3,062
More than 12 months	2,345	2,685
Total other payables	5,296	5,747

Accounting policy

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities. Financial liabilities are recognised and derecognised upon trade date.

Other financial liabilities

Supplier and other payables are recognised at amortised cost. Liabilities are recognised to the extent that the goods or services have been received (and irrespective of having been invoiced).

People and Relationships

Note 8: Provisions

Note 8A: Employee provisions

	2019 \$'000	2018 \$'000
Leave	1,178	1,204
Total employee provisions	1,178	1,204

Accounting policy

Employee benefits

Liabilities for services rendered by employees are recognised at the reporting date to the extent that they have not been settled.

Liabilities for 'short-term employee benefits' (as defined in AASB 119 *Employee Benefits*) and termination benefits due within twelve months of the reporting period are measured at their nominal amounts.

The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability.

Other long-term employee benefits are measured as net total of the present value of the defined benefit obligation at the end of the reporting period minus the fair value at the end of the reporting period of plan assets (if any) out of which the obligations are to be settled directly.

Superannuation

Certain employees of the Harbour Trust are members of the Commonwealth Superannuation Scheme ('CSS'), the Public Sector Superannuation Scheme ('PSS') or the PSS Accumulation Plan ('PSSap').

The CSS and PSS are defined benefit schemes for the Australian Government. The PSSap is a defined contribution scheme.

The liability for defined benefits is recognised in the financial statements of the Australian Government and is settled by the Australian Government in due course. This liability is reported in the Department of Finance's administered schedules and notes.

The Harbour Trust makes employer contributions to the employee superannuation schemes at rates determined by an actuary to be sufficient to meet the current cost to the Government.

Employer superannuation contributions for employees who are not members of the CSS or PSS are expensed in the financial statements. There is no residual liability in respect of these contributions. The Harbour Trust accounts for the contributions as if they were contributions to defined contribution plans.

The liability for superannuation recognised as at 30 June represents outstanding contributions for the final fortnight of the year.

Note 8: Provisions — Continued

Leave

The liability for employee benefits includes provision for annual leave and long service leave. No provision has been made for sick leave as all sick leave is non-vesting. The average sick leave taken in future years by employees of the Harbour Trust is estimated to be less than the annual entitlement for sick leave.

The leave liabilities are calculated on the basis of employees' remuneration at the estimated salary rates that will be applied at the time the leave is taken, including the Harbour Trust's employer superannuation contribution rates to the extent that the leave is likely to be taken during service rather than paid out on termination.

The estimate of the present value of the liability takes into account attrition rates and pay increases through promotion and inflation.

Separation and redundancy

Provision is made for separation and redundancy benefit payments. The Harbour Trust recognises a provision for termination when it has developed a detailed formal plan for the terminations and has informed those employees affected that it will carry out the terminations.

Note 8B: Key Management Personnel Remuneration

Short-term employee benefits:

	2019 \$	2018 \$
Base salary	444,618	410,509
Bonus	35,516	43,364
Other benefits and allowances	31,071	38,245
Total short-term employee benefits	511,205	492,118

Post-employment benefits:

Superannuation	64,756	57,945
Total post-employment benefits	64,756	57,945

Other long-term benefits:

Annual leave accrued	16,505	16,182
Long-service leave	4,905	4,415
Total other long-term benefits	21,410	20,597

Termination benefits:

Termination benefits	-	-
Total termination benefits	-	-

Total key management personnel remuneration

597,371	570,660
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Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity. The Harbour Trust has determined the key management personnel to be the Board members and Executive Director. Key management personnel remuneration is reported in the table above.

The above key management personnel remuneration excludes the remuneration and other benefits of the Portfolio Minister. The Portfolio Minister's remuneration and other benefits are set by the Remuneration Tribunal and are not paid by the Harbour Trust.

The total number of key management personnel that are included in the above table is 9 individuals (2018: 8 individuals). The total number includes both Board member and key management remuneration.

FINANCIAL STATEMENTS

Other Information

Note 9: Other Provisions

	2019 \$'000	2018 \$'000
Other provisions		
Provision for remediation — Sub Base Platypus	497	497
Provision for obsolete stock	82	100
Total other provisions	579	597
Other provisions are expected to be settled in:		
No more than 12 months	579	597
More than 12 months	-	-
Total other provisions	579	597
	Other Provisions	Total
	\$'000	\$'000
Movements in relation to 2019		
As at 1 July 2018	597	597
Amounts used	(18)	(18)
Total as at 30 June 2019	579	579
	Other Provisions	Total
	\$'000	\$'000
Movements in relation to 2018		
As at 1 July 2017	779	779
Amounts used	(182)	(182)
Total as at 30 June 2018	597	597

In accordance with the Memorandum of Understanding between the Harbour Trust and the Department of Defence signed on 5 June 2009, the Harbour Trust is entitled to claim variations from the Department of Defence above those funds provided to date for additional decontamination costs incurred by the Harbour Trust in relation to Sub Base Platypus to date.

Note 10: Cash Flow Reconciliation

Reconciliation of cash and cash equivalents as per Statement of Financial Position to Cash Flow Statement

Cash and cash equivalents as per:

Cash Flow Statement

Statement of Financial Position

Difference

Reconciliation of net contribution by services to net cash from operating activities:

Net contribution (used by) services

Adjustments for non-cash items

Depreciation and amortisation

Net write down of non-financial assets

Gain on disposal of assets

Investment activity

Movement in assets/liabilities

Assets

(Increase) / decrease in trade & other receivables

(Increase) / decrease in inventories

(Increase) / decrease in prepayments

Liabilities

Increase / (decrease) in employee provisions & payables

Increase / (decrease) in suppliers & other payables

Increase / (decrease) in other provisions

Increase / (decrease) in security deposits

Increase / (decrease) in prepayments

Net cash from operating activities

2019 \$'000	2018 \$'000
3,236	3,402
3,236	3,402
-	-
(1,208)	(535)
2,662	2,587
(18)	121
(24)	-
(1,186)	(1,266)
(94)	7
10	24
(9)	86
(74)	(126)
1,105	(181)
(18)	-
100	(13)
(523)	1,642
723	2,346

FINANCIAL STATEMENTS

Note 11: Financial Instruments

	2019 \$'000	2018 \$'000
11A Categories of financial instruments		
Financial assets under AASB 139		
Held to maturity investments		
Investments		49,216
Total held to maturity investments		49,216
Loans and receivables		
Cash at bank		3,401
Cash on hand		1
Receivables for goods and services		680
Interest receivable		4
Other receivables		428
Total loans and receivables		4,514
Financial assets under AASB 9		
Financial assets at amortised cost		
Investments	39,230	
Cash at bank	3,235	
Cash on hand	1	
Receivables for goods and services	630	
Interest receivable	4	
Other receivables	528	
Total financial assets at amortised cost	43,628	53,730
Financial liabilities		
Financial liabilities measured at amortised cost		
Trade creditors	2,166	1,006
Contract retentions	26	100
Salaries and wages	55	103
Accrued expenses/suppliers	504	485
Bonds and security deposits	1,371	1,270
Total financial liabilities measured at amortised cost	4,122	2,964

Note 11: Financial Instruments — Continued

11A Categories of financial instruments

Classification of financial assets on the date of initial application of AASB 9.

Financial assets class	Note	AASB 139 original classification	AASB 9 new classification	AASB 139 carrying amount at 1 July 2018 \$'000	AASB 9 carrying amount at 1 July 2018 \$'000
Investments	5B	Held-to-maturity	Amortised Cost	49,216	49,216
Cash at bank	5A	Loans and receivables	Amortised Cost	3,401	3,401
Cash on hand	5A	Loans and receivables	Amortised Cost	1	1
Receivables for goods and services	5C	Loans and receivables	Amortised Cost	680	680
Interest receivable	5C	Loans and receivables	Amortised Cost	4	4
Other receivables	5C	Loans and receivables	Amortised Cost	428	428
Total financial assets				53,730	53,730

Reconciliation of carrying amounts of financial assets on the date of initial application of AASB 9.

	AASB 139 carrying amount at 30 June 2018 \$'000	Reclassification \$'000	Remeasurement \$'000	AASB 9 carrying amount at 1 July 2018 \$'000
Financial assets at amortised cost				
Held to maturity				
Investments	49,216	49,216	-	49,216
Loans and receivables				
Cash at bank	3,401	3,401	-	3,401
Cash on hand	1	1	-	1
Receivables for goods and services	680	680	-	680
Interest receivable	4	4	-	4
Other receivables	428	428	-	428
Total amortised cost	53,730	53,730	-	53,730

FINANCIAL STATEMENTS

Note 11: Financial Instruments — Continued

Accounting policy

Financial assets

With the implementation of AASB 9 *Financial Instruments* for the first time in 2019, the entity measures its financial assets at amortised cost.

Financial assets are recognised when the entity becomes a party to the contract and, as a consequence, has a legal right to receive or a legal obligation to pay cash and derecognised when the contractual rights to the cash flows from the financial asset expire or are transferred upon trade date.

Comparatives have not been restated on initial application.

Financial assets at amortised cost

Financial assets included in this category need to meet two criteria:

1. the financial asset is held in order to collect the contractual cash flows; and
2. the cash flows are solely payments of principal and interest (SPPI) on the principal outstanding amount.

Amortised cost is determined using the effective interest method.

Effective interest method

Income is recognised on an effective interest rate basis for financial assets that are recognised at amortised cost.

Impairment of financial assets

Financial assets are assessed for impairment at the end of each reporting period based on Expected Credit Losses, using the general approach which measures the loss allowance based on an amount equal to lifetime expected credit losses where risk has significantly increased, or an amount equal to 12-month expected credit losses if risk has not increased.

The simplified approach for trade, contract and lease receivables is used. This approach always measures the loss allowance as the amount equal to the lifetime expected credit losses.

A write-off constitutes a derecognition event where the write-off directly reduces the gross carrying amount of the financial asset.

Financial liabilities

Financial liabilities are recognised and derecognised upon 'trade date'.

Financial liabilities at amortised cost

Financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. These liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective interest basis.

Supplier and other payables are recognised at amortised cost. Liabilities are recognised to the extent that the goods or services have been received (and irrespective of having been invoiced).

Note 11: Financial Instruments — Continued

	2019 \$'000	2018 \$'000
11B Net gains or losses on financial assets		
Financial assets at amortised cost		
Interest revenue (see note 4C)	1,234	1,311
Net gain on financial assets at amortised cost	1,234	1,311

11C net gains or losses on financial liabilities

There was no net income or expense from financial liabilities for the year ended 30 June 2019 (2018 - Nil).

11D Fair value of financial instruments

	Carrying amount 2019 \$'000	Fair value 2019 \$'000	Carrying amount 2018 \$'000	Fair value 2018 \$'000
FINANCIAL ASSETS				
Cash at bank	3,235	3,235	3,401	3,401
Cash on hand	1	1	1	1
Investments	39,230	39,230	49,216	49,216
Receivables for goods and services	630	630	680	680
Interest receivable	4	4	4	4
Other receivables	528	528	428	428
Total	43,628	43,628	53,730	53,730

	Carrying amount 2019 \$'000	Fair value 2019 \$'000	Carrying amount 2018 \$'000	Fair value 2018 \$'000
FINANCIAL LIABILITIES				
Trade creditors	2,166	2,166	1,006	1,006
Contract retentions	26	26	100	100
Salaries and wages	55	55	103	103
Accrued expenses/suppliers	504	504	485	485
Bonds and security deposits	1,371	1,371	1,270	1,270
Total	4,122	4,122	2,964	2,964

Note 12: Contingencies

Note 12: Schedule of contingencies

There were no contingent assets or liabilities required to be disclosed as at 30 June 2019 (2018 - Nil).

Accounting policy

Contingent Liabilities and Contingent Assets are not recognised in the Statement of Financial Position but are reported in the relevant schedules and notes. They may arise from uncertainty as to the existence of a liability or asset or represent an existing liability or asset in respect of which settlement is not probable or the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable but not virtually certain and contingent liabilities are disclosed when settlement is greater than remote.

FINANCIAL STATEMENTS

Note 13: Related Party Disclosures

Note 13: Related party relationships

The Harbour Trust is an Australian Government controlled entity. Related parties to this entity are its members, key management personnel ("KMP") including the Portfolio Minister and Executive and other Australian Government entities including the Department of the Environment.

Given the breadth of Government activities, related parties may transact with the government sector in the same capacity as ordinary citizens. Such transactions include the payment or refund of taxes, receipt of a Medicare rebate or higher education loans. These transactions have not been separately disclosed in this note.

The following transactions with related parties occurred during the financial year:

- the Harbour Trust received consulting services from PriceWaterhouseCoopers for an amount of \$211,895 during the year at which time a KMP was both Chair of the Harbour Trust and Managing Partner of the consulting firm. The transaction occurred at arm's length, with no involvement from the Chair, and followed Harbour Trust procurement rules. There is no balance outstanding at year end.
- the Harbour Trust received an application to rent one of its commercial tenancies from an individual related to the Chair. The transaction occurred at arm's length and was managed through the Tenant Selection Committee in accordance with the Harbour Trust Leasing Policy. The application was subsequently approved. The Chair declared the interest at the time of the application, and had no involvement in the Tenant Selection Committee process nor the decision.

The Harbour Trust transacts with other Australian Government controlled entities consistent with normal day-to-day business operations provided under normal terms and conditions. These are not considered individually significant to warrant separate disclosure as related party transactions.

Note 14: Sydney Harbour Conservancy Ltd

As disclosed at Note 1 'Consolidation and associated company', the Sydney Harbour Conservancy Ltd, a company limited by guarantee, is the Trustee for the Conservancy, and was established on 8 December 2009 and is controlled by the Harbour Trust. The Company was originally incorporated on 8 December 2009 as an Australian Government corporation limited by guarantee at that time for the specific purpose of serving as trustee for the Conservancy. The Company's constitution was amended on 26 June 2019 to clarify that the object of the Company is to benefit the Harbour Trust.

The objective of the Company is to benefit the Sydney Harbour Federation Trust.

The cash position of the Company is as follows:

	2019	2018
	\$	\$
OPERATING ACTIVITIES		
Cash received		
Donations	-	-
Grants	112,000	-
Total cash received	112,000	-
Cash used		
Suppliers	-	-
Total cash used	-	-
Net cash from operating activities	112,000	-
INVESTING ACTIVITIES		
Net cash from/(used by) investing activities	-	-
FINANCING ACTIVITIES		
Net cash from financing activities	-	-
Net increase in cash held	112,000	-
Cash and cash equivalents at the beginning of the reporting period	-	-
Cash and cash equivalents at the end of the reporting period	112,000	-

Note 15: Sydney Harbour Conservancy

As disclosed at Note 1 'Consolidation and associated company', the Conservancy, a Trust for which the Sydney Harbour Conservancy Ltd is Trustee, was established on 10 December 2009 and is controlled by the Harbour Trust.

The objectives of the Conservancy are to:

- Preserve the natural environmental value of the Harbour Trust sites including activities such as weed and feral animal control, waste minimisation, revegetation of native flora, protection of native biodiversity, the conservation of habitat, soil stabilisation and erosion control;
- Encourage and promote enjoyment of recreation and activity within natural surrounds of Harbour Trust sites;
- Recognise and appreciate the natural and historical significance of Harbour Trust sites; and
- Provide information, education and research about the natural environment.

The cash position of the Conservancy is as follows:

	2019	2018
	\$	\$
OPERATING ACTIVITIES		
Cash received		
Donations	-	-
Grants	-	-
Total cash received	-	-
Cash used		
Suppliers	(150)	(150)
Total cash used	(150)	(150)
Net cash from/(used by) operating activities	(150)	(150)
INVESTING ACTIVITIES		
Net cash from/(used by) investing activities	-	-
FINANCING ACTIVITIES		
Cash received		
Funds received for Trustee company	-	70,000
Total cash received	-	70,000
Cash used		
Funds transferred to Trustee company	(70,000)	-
Total cash used	(70,000)	-
Net cash from/(used by) financing activities	(70,000)	70,000
Net increase (decrease) in cash held	(70,150)	69,850
Cash and cash equivalents at the beginning of the reporting period	77,117	7,267
Cash and cash equivalents at the end of the reporting period	6,967	77,117

APPENDIX 1

Freedom of information

The *Freedom of Information Act 1982* provides the public with a general right of access to documents, subject to some exemptions, held by Australian Government agencies including the Harbour Trust. General information about our Freedom of Information (FOI) procedures including how to make an FOI request is available at www.harbourtrust.gov.au/en/freedom-of-information/

or by contacting the FOI Officer at:
Freedom of Information Officer
Harbour Trust
PO Box 607 MOSMAN NSW 2088

Information Publication Scheme

Under Part 11 of the *Freedom of Information Act 1982*, the Harbour Trust is required to publish information to the public as part of the Information Publication Scheme (IPS). An agency plan showing the information the Harbour Trust has published under IPS requirements is available on the Harbour Trust website under Freedom of Information:

www.harbourtrust.gov.au/en/freedom-of-information/. For more on the Information Publication Scheme, visit the Office of the Australian Information Commissioner www.oaic.gov.au

Reporting

The Harbour Trust received two applications under the Act during the reporting period.

APPENDIX 2

Advisory and reference groups

July 2018 — May 2019 General Community Advisory Committee

General Members

Robert Crawford
Sarah Dinning
Kate Eccles
Paul Forward
Colleen Godsell AM
Julie Goodsir
Dr Geoffrey Lambert
Beth Lawsen
Jill L'Estrange
Peta Lewis
Prof Roy Macleod
Susan Moylan-Coombs
Matthew Rafferty
Adele Rancan
Bob Smith

Ex-Officio Members

The Hon Tony Abbott MP, Member for Warringah
The Hon Anthony Albanese MP, Member for Grayndler
Trent Zimmerman MP, Member for North Sydney
Former Prime Minister, Malcolm Turnbull, Member for Wentworth (ended August 2018)
Kerryn Phelps MP, Member for Wentworth (October 2018 – May 2019)
Cdr Mathew Bradley, Commander, RAN, HMAS Penguin
Cr Mark Bennett, Mayor of Hunter's Hill
Cr Peter Cavanagh, Mayor of Woollahra
Cr Carolyn Corrigan, Mayor of Mosman
Cr Jilly Gibson, Mayor of North Sydney
Cr Michael Regan, Mayor of Northern Beaches

2018 Sub Base Platypus Community Advisory Committee

Phil Burfurd
Tammy Dodd
Paul Forward
Neil Schafer
Captain Chris Skinner
Christopher Stapleton
Ken Williams

Ex-Officio Members

Cr Jilly Gibson, Mayor of North Sydney
Trent Zimmerman MP, Member for North Sydney

Aboriginal and Torres Strait Islander Advisory Group

Josephine Cashman
Susan Moylan-Coombs
Prof Dennis Foley
Djon Mundine
Roy Mundine OAM
Peter White

May 2019 — June 2019 General Community Advisory Committee

General Members

Robert Crawford
Sarah Dinning
Kate Eccles
Paul Forward
Colleen Godsell AM
Julie Goodsir
Dr Geoffrey Lambert
Beth Lawsen
Jill L'Estrange
Prof Roy Macleod
Matthew Rafferty
Rita Chowdhury
Malcolm Moir
Robyn Townsend
Kate Evers
John Tropman
Stuart Sprott

Ex-Officio Members

The Hon Anthony Albanese MP, Member for Grayndler
Zali Steggall MP, Member for Warringah
Trent Zimmerman MP, Member for North Sydney
Dave Sharma MP, Member for Wentworth
Cdr Bernadette Alexander, Commander, RAN, HMAS Penguin
Cr Mark Bennett, Mayor of Hunter's Hill
Cr Peter Cavanagh, Mayor of Woollahra
Cr Carolyn Corrigan, Mayor of Mosman
Cr Jilly Gibson, Mayor of North Sydney
Cr Michael Regan, Mayor of Northern Beaches

APPENDIX 3

Maintenance, heritage conservation and environmental management projects

All sites	<ul style="list-style-type: none"> • Grounds maintenance • General building maintenance • Services maintenance • Fire systems maintenance • Pest management • Site security
Headland Park	<ul style="list-style-type: none"> • Upgrade to tenant directories and wayfinding signage • Refurbishment of a residential property on Middle Head Road • Upgrades to the communications and optical fibre network • Refurbishment and replanting of walking tracks • Contract bush regeneration • Feral animal control • Minor internal fitouts by tenants • Mechanical and manual bushfire hazard reduction works • External and internal painting of tenanted buildings
Cockatoo Island	<ul style="list-style-type: none"> • Public safety works • Upgrades to the communications and optical fibre network • Geotechnical investigations and remedial works to cliff face • Make-safe works to historic cranes • Weed removal and replanting • Conservation of historic machinery and planting of gardens by volunteers • Ongoing replacement and upgrading of utilities services and major upgrades to the hot water supply to the campground
North Head Sanctuary	<ul style="list-style-type: none"> • Installation of a rabbit-proof fence through recently-burnt bushland • Upgrade of fire booster pumps • Repairs and maintenance of walking tracks • Refurbishment of a residential property on Artillery Drive • Conservation and reconstruction of historic military equipment by heritage restoration volunteers • Construction of new roof over the entry stair of Gun Emplacement No 2 by heritage restoration volunteers • Propagation and planting of local species by the North Head Sanctuary Foundation • Contract bush regeneration • Mechanical and manual bushfire hazard reduction works • Maintenance, heritage conservation and environmental management projects • Feral animal control

APPENDIX 3

Maintenance, heritage conservation and environmental management projects

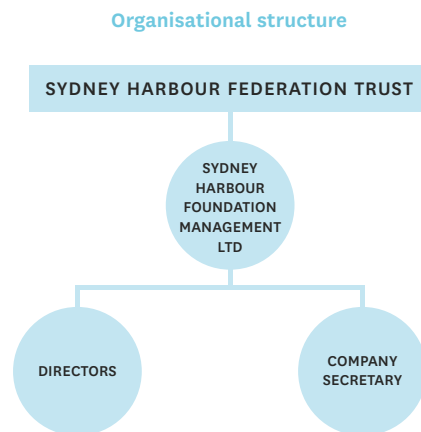
Woolwich Dock	<ul style="list-style-type: none"> • Reconstruction of the sandstone wall at the Goat Paddock • Repairs of seawall adjacent to the barge ramp • Contract bush regeneration • Weed removal and replanting of the Horse Paddock and Goat Paddock • Feral animal control
Sub Base Platypus	<ul style="list-style-type: none"> • Base works to Submarine School and Fleet Workshop for tenant fitout • Refurbish of the Gatehouse as two dwellings • Public domain improvements and upgrades to site safety • Upgrades to site services • Weed removal and replanting
Macquarie Lightstation	<ul style="list-style-type: none"> • Installation of a fence to protect the historically significant Greenway Wall • Weed removal and replanting
Former Marine Biological Station	<ul style="list-style-type: none"> • Grounds maintenance • Weed removal and replanting
Snapper Island	<ul style="list-style-type: none"> • While no works were carried out by the Harbour Trust during the year, the Department of Finance undertook some building remediation works

APPENDIX 4

Sydney Harbour Foundation Management Ltd Organisational Structure

Officeholders and Directors

Kevin McCann	Director	Elyse Jeffress	Company Secretary
Sandra Hook	Director		
Mary Darwell	Director		
Jessica Keen	Director		



APPENDIX 5

Executive Remuneration

Information about remuneration for key management personnel.

Senior Executives and Directors at 30/06/2019	Position Title	Short-term benefits			Post-employment benefits Superannuation Contributions (\$)	Other long-term benefits		Total Remuneration	Term as KMP
		Base Salary (\$)	Bonus (\$)	Other Benefits and Allowances (\$)		Long Service Leave (\$)	Annual Leave Accrual (\$)		
Mary Darwell ¹	CEO	240,887	35,516	31,071	42,058	4,905	16,505	370,942	Full year
Joseph Carrozzi	Chairman	49,939	-	-	4,744	-	-	54,683	Full year
Sally Herman ²	Board Member	21,221	-	-	2,016	-	-	23,237	Term concluded 28/4/2019
Garth Callender	Board Member	25,310	-	-	2,404	-	-	27,714	Full year
Sandra Hook	Board Member	25,310	-	-	2,404	-	-	27,714	Full year
Josephine Cashman ³	Board Member	25,296	-	-	2,403	-	-	27,699	Full year
Jean Hay	Board Member	25,310	-	-	2,488	-	-	27,798	Full year
Jessica Keen ⁴	Board Member	25,310	-	-	5,666	-	-	30,976	Full year
Tim James	Board Member	6,035	-	-	573	-	-	6,608	Joined 01/4/2019
Total		444,618	35,516	31,071	64,756	4,905	16,505	597,371	

1. After the close of the reporting period, the Accountable Authority has awarded Mary Darwell's bonus for the financial year as \$26,637, lower than the accrual of \$35,516. This will be adjusted in the current financial year. The Accountable Authority has also awarded a pay increase for Mary Darwell backdated to 1 January 2019 in line with the accrual in the accounts.
2. Sally Herman ceased employment as a Director on 28 April 2019.
3. Josephine Cashman's salary is consistent with the other Director's however there was a minor difference in the year due to a manual back-pay adjustment.
4. Jessica Keen is on a Defined Benefit Scheme which results in higher superannuation payments.

COMPLIANCE INDEX

Below is the table set out in Schedule 2A of the PGPA Rule. Section 17BE(u) requires this table be included in entities' annual reports.

PGPA RULE REFERENCE	PART OF REPORT	DESCRIPTION	REQUIREMENT	PAGE
17BE		Contents of annual report		
17BE(a)	Harbour Trust Overview	Details of the legislation establishing the body	Mandatory	11
17BE(b)(i)	Harbour Trust Overview	A summary of the objects and functions of the entity as set out in legislation	Mandatory	10
17BE(b)(ii)	Annual Performance Statement	The purposes of the entity as included in the entity's corporate plan for the reporting period	Mandatory	64
17BE(c)	Harbour Trust Overview	The names of the persons holding the position of responsible Minister or responsible Ministers during the reporting period, and the titles of those responsible Ministers	Mandatory	11
17BE(d)	Strengthen Our Capabilities	Directions given to the entity by the Minister under an Act or instrument during the reporting period	If applicable, mandatory	63
17BE(e)	A Robust Business	Any government policy order that applied in relation to the entity during the reporting period under section 22 of the Act	If applicable, mandatory	57
17BE(f)	n/a	Particulars of non-compliance with: (a) a direction given to the entity by the Minister under an Act or instrument during the reporting period; or (b) a government policy order that applied in relation to the entity during the reporting period under section 22 of the Act	If applicable, mandatory	n/a
17BE(g)	Annual Performance Statement	Annual performance statements in accordance with paragraph 39(1)(b) of the Act and section 16F of the rule	Mandatory	64-77
17BE(h), 17BE(i)	n/a	A statement of significant issues reported to the Minister under paragraph 19(1)(e) of the Act that relates to non-compliance with finance law and action taken to remedy non-compliance	If applicable, mandatory	n/a
17BE(j)	Harbour Trust Overview	Information on the accountable authority, or each member of the accountable authority, of the entity during the reporting period	Mandatory	12-15
17BE(k)	Harbour Trust Overview	Outline of the organisational structure of the entity (including any subsidiaries of the entity)	Mandatory	11; 120
17BE(ka)	Strengthen Our Capabilities	Statistics on the entity's employees on an ongoing and non-ongoing basis, including the following: (a) statistics on full-time employees; (b) statistics on part-time employees; (c) statistics on gender; (d) statistics on staff location	Mandatory	59

COMPLIANCE INDEX

PGPA RULE REFERENCE	PART OF REPORT	DESCRIPTION	REQUIREMENT	PAGE
17BE(l)	Harbour Trust Overview	Outline of the location (whether or not in Australia) of major activities or facilities of the entity	Mandatory	18-23
17BE(m)	A Robust Business	Information relating to the main corporate governance practices used by the entity during the reporting period	Mandatory	55-56
17BE(n), 17BE(o)	Financial Statements	For transactions with a related Commonwealth entity or related company where the value of the transaction, or if there is more than one transaction, the aggregate of those transactions, is more than \$10,000 (inclusive of GST): (a) the decision-making process undertaken by the accountable authority to approve the entity paying for a good or service from, or providing a grant to, the related Commonwealth entity or related company; and (b) the value of the transaction, or if there is more than one transaction, the number of transactions and the aggregate of value of the transactions	If applicable, mandatory	114
17BE(p)	n/a	Any significant activities and changes that affected the operation or structure of the entity during the reporting period	If applicable, mandatory	n/a
17BE(q)	Strengthen Our Capabilities	Particulars of judicial decisions or decisions of administrative tribunals that may have a significant effect on the operations of the entity	If applicable, mandatory	63
17BE(r)	A Robust Business; Strengthen Our Capabilities	Particulars of any reports on the entity given by: (a) the Auditor-General (other than a report under section 43 of the Act); or (b) a Parliamentary Committee; or (c) the Commonwealth Ombudsman; or (d) the Office of the Australian Information Commissioner	If applicable, mandatory	56; 63
17BE(s)	n/a	An explanation of information not obtained from a subsidiary of the entity and the effect of not having the information on the annual report		n/a
17BE(t)	A Robust Business	Details of any indemnity that applied during the reporting period to the accountable authority, any member of the accountable authority or officer of the entity against a liability (including premiums paid, or agreed to be paid, for insurance against the authority, member or officer's liability for legal costs)	If applicable, mandatory	56
17BE(ta)	Appendix 5	Information about executive remuneration	Mandatory	121

COMPLIANCE INDEX

SYDNEY HARBOUR FEDERATION TRUST ACT 2001 REFERENCE

Section 70 Description Annual Report Requirement Mandatory

70 Annual report

The annual report on the Trust under section 9 of the *Commonwealth Authorities and Companies Act 1997* must also include:

PART OF REPORT	DESCRIPTION	PAGE
Harbour Trust Overview	(a) a description of the condition of plan areas at the end of the period to which the report relates; and	18–23
Strengthen Our Capabilities	(b) the text of all directions, and reasons for directions, given by the Minister to the Trust under section 9 during the period to which the report relates.	63

COMPLIANCE INDEX

ADDITIONAL COMPLIANCE RELATING TO SPECIFIC STATUTORY PROVISION

The Harbour Trust has complied with the reporting requirements of:

- *Work Health and Safety Act 2011* — Schedule 2, Part 4
- *Commonwealth Electoral Act 1918* — Section 311A
- *The Environment Protection and Biodiversity Conservation Act 1999* — Section 516A

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